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SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—THIRD PERIOD

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

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

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

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

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

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

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<td>Wentworth, NSW</td>
<td>LP</td>
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<td>Vamvakinou, Maria</td>
<td>Calwell, VIC</td>
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<td>Van Manen, Albertus Johannes</td>
<td>Forde, QLD</td>
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## Members of the House of Representatives

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<td>Bonner, QLD</td>
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<td>Washer, Malcom James</td>
<td>Moore, WA</td>
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<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
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<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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<tr>
<td>Wyatt, Kenneth George</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
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</tbody>
</table>

**PARTY ABBREVIATIONS**

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

## Heads of Parliamentary Departments

- Clerk of the Senate—R Laing
- Clerk of the House of Representatives—B Wright
- Secretary, Department of Parliamentary Services—A Thompson
GILLARD MINISTRY

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

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<td>Minister for Social Inclusion</td>
<td>Hon. Tanya Plibersek</td>
<td>MP</td>
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<tr>
<td>Minister for Privacy and Freedom of Information</td>
<td>Hon. Brendan O’Connor</td>
<td>MP</td>
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<td>Minister for Sport</td>
<td>Senator Hon. Mark Arbib</td>
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<tr>
<td>Special Minister of State for the Public Service and Integrity</td>
<td>Hon. Gary Gray AO</td>
<td>MP</td>
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<tr>
<td>Assistant Treasurer and Minister for Financial Services and Superannuation</td>
<td>Hon. Bill Shorten</td>
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<tr>
<td>Minister for Employment Participation and Childcare</td>
<td>Hon. Kate Ellis</td>
<td>MP</td>
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<td>Minister for Indigenous Employment and Economic Development</td>
<td>Senator Hon. Mark Arbib</td>
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<tr>
<td>Minister for Veterans’ Affairs and Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon</td>
<td>MP</td>
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<td>Minister for Defence Materiel</td>
<td>Hon. Jason Clare</td>
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<td>Minister for Indigenous Health</td>
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<td>Minister for Small Business</td>
<td>Senator Hon. Nick Sherry</td>
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<td>Minister for Home Affairs and Minister for Justice</td>
<td>Hon. Brendan O’Connor</td>
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<td>Minister for Human Services</td>
<td>Hon. Tanya Plibersek</td>
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<td>Cabinet Secretary</td>
<td>Hon. Mark Dreyfus QC</td>
<td>MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator Hon. Kate Lundy</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<td>Hon. David Bradbury</td>
<td>MP</td>
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<tr>
<td>Parliamentary Secretary for School Education and Workplace Relations</td>
<td>Senator Hon. Jacinta Collins</td>
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<tr>
<td>Minister Assisting the Prime Minister on Digital Productivity</td>
<td>Senator Hon. Stephen Conroy</td>
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<tr>
<td>Parliamentary Secretary for Trade</td>
<td>Hon. Justine Elliot</td>
<td>MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Richard Marles</td>
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<td>Parliamentary Secretary for Defence</td>
<td>Senator Hon. David Feeney</td>
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<td>Parliamentary Secretary for Immigration and Multicultural Affairs</td>
<td>Senator Hon. Kate Lundy</td>
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<tr>
<td>Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing</td>
<td>Hon. Catherine King</td>
<td>MP</td>
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<tr>
<td>Parliamentary Secretary for Disabilities and Carers</td>
<td>Senator Hon. Jan McLucas</td>
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<td>Parliamentary Secretary for Community Services</td>
<td>Hon. Julie Collins</td>
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<tr>
<td>Parliamentary Secretary for Sustainability and Urban Water</td>
<td>Senator Hon. Don Farrell</td>
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<tr>
<td>Minister Assisting on Deregulation and Public Sector Superannuation</td>
<td>Senator Hon. Nick Sherry</td>
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<tr>
<td>Minister Assisting the Attorney-General on Queensland Floods Recovery</td>
<td>Senator Hon. Joe Ludwig</td>
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<tr>
<td>Parliamentary Secretary for Agriculture, Fisheries and Forestry</td>
<td>Hon. Dr Mike Kelly AM</td>
<td>MP</td>
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<tr>
<td>Minister Assisting the Minister for Tourism</td>
<td>Senator Hon. Nick Sherry</td>
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<tr>
<td>Parliamentary Secretary for Climate Change and Energy Efficiency</td>
<td>Hon. Mark Dreyfus QC</td>
<td>MP</td>
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</table>
SHADOW MINISTRY

Leader of the Opposition  
Hon. Tony Abbott MP

Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade  
Hon. Julie Bishop MP

Leader of the Nationals and Shadow Minister for Infrastructure and Transport  
Hon. Warren Truss MP

Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations  
Senator Hon. Eric Abetz

Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts  
Senator Hon. George Brandis SC

Shadow Treasurer  
Hon. Joe Hockey MP

Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House  
Hon. Christopher Pyne MP

Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals  
Senator Hon. Nigel Scullion

Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate  
Senator Barnaby Joyce

Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee  
Hon. Andrew Robb AO, MP

Shadow Minister for Energy and Resources  
Hon. Ian Macfarlane MP

Shadow Minister for Defence  
Senator Hon. David Johnston

Shadow Minister for Communications and Broadband  
Hon. Malcolm Turnbull MP

Shadow Minister for Health and Ageing  
Hon. Peter Dutton MP

Shadow Minister for Families, Housing and Human Services  
Hon. Kevin Andrews MP

Shadow Minister for Climate Action, Environment and Heritage  
Hon. Greg Hunt MP

Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship  
Mr Scott Morrison MP

Shadow Minister for Innovation, Industry and Science  
Mrs Sophie Mirabella MP

Shadow Minister for Agriculture and Food Security  
Hon. John Cobb MP

Shadow Minister for Small Business, Competition Policy and Consumer Affairs  
Hon. Bruce Billson MP

[The above constitute the shadow cabinet]
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<td>Hon. Sussan Ley MP</td>
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<td>Shadow Minister for Justice, Customs and Border Protection</td>
<td>Mr Michael Keenan MP</td>
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<tr>
<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services</td>
<td>Senator Mathias Cormann</td>
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<tr>
<td>and Superannuation</td>
<td></td>
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<tr>
<td>Shadow Minister for Childcare and Early Childhood Learning</td>
<td>Hon. Sussan Ley MP</td>
</tr>
<tr>
<td>Shadow Minister for Universities and Research</td>
<td>Senator Hon. Brett Mason</td>
</tr>
<tr>
<td>Shadow Minister for Youth and Sport and Deputy Manager of</td>
<td>Mr Luke Hartsuyker MP</td>
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<tr>
<td>Opposition Business in the House</td>
<td></td>
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<tr>
<td>Shadow Minister for Indigenous Development and Employment</td>
<td>Senator Marise Payne</td>
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<tr>
<td>Shadow Minister for Regional Development</td>
<td>Hon. Bob Baldwin MP</td>
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<tr>
<td>Shadow Special Minister of State</td>
<td>Hon. Bronwyn Bishop MP</td>
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<tr>
<td>Shadow Minister for COAG</td>
<td>Senator Marise Payne</td>
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<tr>
<td>Shadow Minister for Tourism</td>
<td>Hon. Bob Baldwin MP</td>
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<tr>
<td>Shadow Minister for Defence Science, Technology and Personnel</td>
<td>Mr Stuart Robert MP</td>
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<tr>
<td>Shadow Minister for Veterans’ Affairs and Shadow Minister</td>
<td>Senator Hon. Michael Ronaldson</td>
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<tr>
<td>Assisting the Leader of the Opposition on the Centenary of ANZAC</td>
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<td>Shadow Minister for Regional Communications</td>
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<td>Senator Concetta Fierravanti-Wells</td>
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<td>and Manager of Opposition Business in the Senate</td>
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<td>Senator Marise Payne</td>
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<td>Chairman, Scrutiny of Government Waste Committee</td>
<td>Mr Jamie Briggs MP</td>
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<td>Shadow Cabinet Secretary</td>
<td>Hon. Philip Ruddock MP</td>
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<td>Shadow Parliamentary Secretary for Roads and Regional Transport</td>
<td>Mr Darren Chester MP</td>
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<td>Shadow Parliamentary Secretary to the Shadow Attorney-General</td>
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<td>Dr Andrew Southcott MP</td>
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Tuesday, 14 June 2011

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

CONDOLENCES

Robinson, Sapper Rowan Jaie

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

That the House record its deep regret at the death of Sapper Rowan Jaie Robinson on 6 June 2011, while on combat operations in Afghanistan, and place on record its appreciation of his service to the country and tender its profound sympathy to his family in their bereavement.

The last two Tuesdays the parliament has sat, we have commenced the sittings with words of condolence for families who have lost loved ones in Afghanistan. In the non-sitting week that has just passed, the Leader of the Opposition and I attended two funerals, which were services of great emotion and great dignity. Unfortunately, we commence again today with another motion of condolence.

These are the hard days I spoke of last year when I addressed the parliament about Afghanistan—the unyielding, thankless days when war extracts its toll and our patience is tested. Today we grieve for Sapper Rowan Robinson. His family—mum and dad, Marie and Peter, and siblings, Rachael, Ben and Troy—mourn a beloved son and brother. His mates mourn a trusted comrade. Our nation mourns a proud Australian who fought and died in our name.

Sapper Robinson lived much in his 23 years. He had already recorded five years of service in the ADF, with two tours of duty in Afghanistan, and he had been awarded six decorations during that time. It was a long journey for the young surf-lifesaver from the New South Wales North Coast to the battlefields of Tarin Kowt. In the course of that journey, Sapper Robinson had become an accomplished military professional. Soldiering was what he did and he did it well. In fact, Sapper Robinson forms part of a defence tradition that goes back to the very first days of our Commonwealth 110 years ago. It is the tradition of Australians who love their country and who freely elect to serve it, embracing all of the risks and all of the hardships that that entails: leaving family and friends, leaving the lifestyle of home and walking into the unknown, showing so much courage—courage that deserves to be matched by our resolve, our resolve to see the mission through, to persist through the dark days when giving up would be so tempting, and to stick to our plan and our time frame, which we know will yield results and is yielding results.

There is a remarkable feature of our commitment in Afghanistan and that is the belief by our soldiers in the value of their mission. Anyone who speaks to our soldiers, as I have and as the Leader of the Opposition has, hears the same reply every time: 'We are making progress. We are making a difference.' They do not want sympathy. They do not want easy answers. They just want to know that the nation's commitment matches theirs, and I can assure them that it does. This is why we come to honour Sapper Robinson today, placing on the record, the record of this parliament for all time, the measure of his courage, remembering a young man who cared enough for our nation that he was prepared to offer his life for it and pledging to his family and mates our enduring commitment to ensure his sacrifice is not in vain. We will not let go; we will not forget.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:05): I rise to strongly support the words of the Prime Minister, which she has put with great eloquence. Yes,
Australia has lost another fine soldier: Sapper Rowan Robinson, the 27th Australian soldier to be killed in action in Afghanistan. Just as the Prime Minister’s thoughts go to his family and his comrades, so on this side of the House our thoughts and prayers go to his family and his comrades at this sad time. Inevitably, as casualties continue, there will be some second thoughts about Australia’s involvement in this campaign.

Our soldiers should not be there a moment longer than is necessary; but, while there is vital work that they can do and that only they can do, that mission must be sustained. In fairness to our soldiers and to their families we must count the cost, but we must also count the cost of abandoning the mission, and at the present time abandoning the mission would mean the return of terrorist bases into Afghanistan, a most brutal persecution of the Afghan people and most likely a serious destabilisation of Pakistan.

So we honour all the fallen, as we must in this parliament, which has sent them on the mission. By securing our objectives we best ensure that these are not pointless deaths and we best ensure that the memory of Sapper Robinson is properly honoured.

**Mr Stephen Smith** (Perth—Minister for Defence and Deputy Leader of the House) (14:07): I associate myself with the remarks of the Prime Minister and the Leader of the Opposition in expressing both condolence to the family of Sapper Rowan Robinson and support for our mission in Afghanistan. Sapper Robinson was a young man of 23 years of age. He joined the Army in 2006 and was from the Sydney based Incident Response Regiment. After his initial recruitment and training, Sapper Robinson joined the 3rd Combat Engineer Regiment and after four years of service with the combat engineers was posted to the Incident Response Regiment.

This was Sapper Robinson’s second deployment to Afghanistan, he having been first deployed in 2007. He was described by his mates as happy go lucky and a great team member. He was first and foremost a dedicated and professional soldier whose skill belied his youth. Sapper Robinson’s family can be proud of their son and their brother. As a combat engineer, Sapper Robinson made an enormous contribution to the protection of his mates and our troops in Afghanistan. His work was both hugely important and highly dangerous. As the Chief of Army said following his death, ‘he led from the front, looking for threats and disabling those devices to keep his mates safe’. Sapper Robinson was awarded the Australian Active Service Medal with clasp, International Coalition against Terrorism; the Afghanistan Campaign Medal; the Australian Defence Medal; and the NATO ISAF medal. He was also awarded the Army Combat Badge and the Returned from Active Service Badge.

As both the Prime Minister and the Leader of the Opposition have indicated, this has been a most difficult time for Australia, with the tragic deaths of four Australian soldiers in two weeks. I make the same point to the parliament that I made last week in Brussels at the meeting of the NATO/ISAF Defence Ministers Meeting: whilst this has been a terrible shock to Australia and Australians, it will not weaken our resolve to see our mission through in Oruzgan province and it does not cast doubt on the real progress we believe we have made in recent times. As the Prime Minister has said, there will be bad days, there will be setbacks and there will be hard times, but we cannot risk the gains that we have fought so hard for and that we very strongly believe we are in the process of consolidating. Our thoughts are with Sapper Robinson, his family, his friends and his mates.
Mr ROBERT (Fadden) (14:10): I join the Prime Minister, the Leader of the Opposition and the Minister for Defence in honouring Sapper Rowan Robinson, the fourth sapper to be tragically killed in action in Afghanistan. As a member of the Special Operations Incident Response Regiment, his role was to clear the paths, to find and dismantle IEDs and to protect the special forces who walked in his footsteps. There is something special about the men who protect special forces—those sappers who head out in front, described by their mates as men of insane courage, men capable of holding fear at bay just a little longer and men who have to deal with sophisticated explosives at night, under fire and in a hurry. Sapper Robinson was such a man. Having first deployed to Afghanistan as a soldier barely out of his teens, he redeployed again with the Special Operations Task Group this year, barely 23 years old yet certainly old beyond his years.

When he joined the Army he knew he may have to back up his oath one day with his life. That day has come—too soon, no doubt, but come it has. Building on the back of the most successful winter campaign to date, Sapper Robinson was part of finding the biggest cache of weapons, mines and explosives to date. He was part of the team that inspected and destroyed them, all under fire. As a special forces soldier he was not only required to do his job as a sapper but also required to fight. It was during a subsequent firefight that Sapper Robinson was shot and killed whilst providing covering fire in overwatch of his mates. He fought and died not because he hated what was in front of him but because he loved what was behind him. He gave his today so that the special forces he was protecting could fight again tomorrow. He gave the most a man could ever give: life itself.

As we pause to reflect on this insanely courageous man, we also pause to remember the 26 other Australians who have made the supreme sacrifice in Afghanistan. My prayers go out to Sapper Robinson’s parents, Marie and Peter; his sister, Rachael; and his brothers, Ben and Troy. Know in your heart that your son and brother died saving lives. Rowan, we will forever remember you as a tough special forces soldier who honoured your oath, toughed out the dangerous missions and gave your life protecting those entrusted to you. We honour you as we mourn your loss.

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

Honourable members having stood in their places—

The SPEAKER: I thank the House and all present. Debate adjourned.

Reference to Main Committee

Mr ALBANESE: by leave—I move:

That the order of the day in relation to the death of Sapper Rowan Robinson be referred to the Main Committee for debate.

Question agreed to.

MINISTERIAL ARRANGEMENTS

Ms GILLARD (Lalor—Prime Minister) (14:14): I inform the House that the Minister for Employment Participation and Childcare and Minister for the Status of Women will be absent from question time today as she has been delayed, like so many others, by flight disruptions caused by the volcanic eruption. The Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts will answer questions in relation to employment participation and sport, the Minister for Families, Housing, Community Services and Indigenous Affairs will answer questions in relation to the status of women and the Minister for School Education, Early
Childhood and Youth will answer questions in relation to child care on her behalf.

**DISTINGUISHED VISITORS**

The SPEAKER (14:15): I inform the House that we have present in the gallery this afternoon His Holiness the Dalai Lama, a distinguished religious and spiritual leader and Nobel laureate. On behalf of the House I extend to him a very warm welcome.

Honourable members: Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Live Animal Exports**

Mr ABBOTT (Warringah—Leader of the Opposition) (14:15): My question is to the Prime Minister. I refer the Prime Minister to the suspension of the live cattle trade with Indonesia and the unfolding disaster that this entails for cattle producers across Northern Australia. Is the Prime Minister prepared to meet with me, urgently, so that we can work together on a bipartisan basis to re-open this trade as soon as possible, at least for those Indonesian abattoirs that already fully meet Australian standards?

Ms GILLARD (Lalor—Prime Minister) (14:16): I thank the Leader of the Opposition for his question. I can assure the Leader of the Opposition that very concerted work has been in train following the decision of the government, through the cabinet meeting last week, to suspend live exports to Indonesia. Indeed, that work continued at a pace throughout the long weekend and many public servants, many representatives of the cattle industry and, of course, the minister himself were directly engaged in that work over the weekend.

As I advised the Leader of the Opposition in more informal discussion before parliament formally started, of course, the government is working through issues associated with animal welfare for animals that had already been moved or were mustered on properties awaiting export before the suspension came into effect. We are strongly engaged with the MLA, the industry representative group. The minister has written to the MLA in relation to the making available of $5 million for a hardship fund. We are engaged in inspections and work in Indonesia and there is a very, very quick focus on that. As the Leader of the Opposition's question reflects and as, I think, is common knowledge, not all abattoirs in Indonesia are at the same standards and, of course, we want to work through as expeditiously as possible on inspections so that we can be assured that abattoirs are adopting the world standard about slaughter of animals, and we are encouraging the use of stunning.

The government has been working through these things methodically and quickly, as I believe my office indicated to the Leader of the Opposition earlier today. We are very happy for the responsible shadow minister, who I understand to be the Leader of the National Party—I assumed it was the Leader of the National Party but, of course, it is a matter for the opposition who the responsible shadow minister is—to get an intensive briefing from the minister. If, following that intensive briefing, there are further questions that the opposition wishes to pursue, then I am, of course, happy to talk about those matters directly with the Leader of the Opposition. I do think it would assist the Leader of the Opposition, through his shadow minister, to get a comprehensive briefing on all actions that have been taken to date and are being taken as we speak.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:19): Mr Speaker, I have a supplementary question to the Prime Minister. I do appreciate the spirit in which the Prime Minister answered my earlier question, but I do remind the Prime Minister that there are at least some abattoirs in
Indonesia which already clearly meet Australian animal welfare standards and I ask the Prime Minister: why can't the live export trade to those abattoirs be resumed immediately?

Ms GILLARD (Lalor—Prime Minister) (14:19): I thank the Leader of the Opposition for his question; it is a reasonable one. There are two factors here—factor No. 1: the conditions in the abattoir; and factor No. 2: being able to track where Australian cattle go. So, unless we are able to track and ensure, if we say conditions are appropriate in one facility, that Australian cattle are going to that facility and that facility alone and not ending up in other facilities, then clearly we have not solved the problem. There are two things here: the inspections for the conditions of slaughter and the tracking of Australian cattle to make sure that they end up in facilities that have appropriate conditions. The government is working extensively on both in contact with the representatives of the industry.

I think what this question indicates—and it is an absolutely reasonable question—is it would assist the opposition to get an in-detail briefing from the minister on every question that needs to be answered and how the government is going about actioning and answering those questions through inspections and tracking so that we can know where animals end up and the circumstances of the facilities that they go to. That information can be made available in a very timely way to the opposition, as I indicated through my office this morning. The relevant minister, Minister Ludwig, can make himself available—I cannot speak as to his diary, but I would say almost immediately—to provide that very in-detail briefing to the opposition.

Carbon Pricing

Ms OWENS (Parramatta) (14:21): My question is to the Minister for Climate Change and Energy Efficiency. Why is it important, in putting a price on carbon, to provide assistance to households and pensioners? Are there any threats to this assistance and what is the government's response?

Mr COMBET (Charlton—Minister for Climate Change and Energy Efficiency) (14:22): I would like to thank the member for Parramatta for her question. As the House is aware, the government is seeking to introduce a carbon price to cut pollution and to drive investment in clean energy. The carbon price will be paid by fewer than 1,000 of the companies that are the largest emitters in our economy. However, of course, some industries will pass on the carbon price related costs to consumers, and that is precisely why the government has been upfront with the Australian people that there will be a modest cost impact on households. It is also why the government has consistently made clear that we will be providing fair and generous household assistance and that helping pensioners and low- and middle-income earners will be a priority for the government. On this point specifically, the government has committed that more than 50 per cent of the carbon price revenue—

Mr Chester interjecting—

Dr Jensen interjecting—

The SPEAKER: Order! The Pavlovian response of the members for Gippsland and Tangney when the minister is at the dispatch box is unnecessary. They are both warned!

Mr COMBET: Thank you very much, Mr Speaker. The government has committed that more than 50 per cent of the carbon price revenue will be used to assist households, that millions of households will be better off under the carbon price and that the assistance will be permanent. As the Prime Minister has indicated, the
government is exploring a number of options for delivering that assistance, including through tax cuts. In addition, I can inform the House that all 3.4 million maximum-rate and part-rate pensioners will receive assistance. Under the government's plan, pensioners will receive assistance over and above normal indexation increases from the outset of the carbon price scheme. Therefore, right from the start of the carbon price scheme, literally millions of pensioners will see a real increase in their pension.

The greatest threat to that increase is the coalition, which has made crystal clear that, upon the introduction of a carbon price, the coalition will remove the assistance to households and remove the increase in pensions. The coalition's policy is to remove the assistance and, in doing so, leave millions of Australians worse off. Whether it is a pension rise or whether it is a tax cut, the Leader of the Opposition has made it absolutely clear that he will claw it back. Unsurprisingly, we see in the papers today that some on the coalition side of politics are horrified that the Leader of the Opposition wants to take money away from households, wants to take money away from pensioners.

What is worse, it is going to be, from the coalition, a triple hit on families: first, the coalition is going to hit them to fund its paid parental leave scheme; second, the coalition is going to increase taxes on average households by $720 to pay for the 'subsidies for polluters' scheme; and, third, the coalition is going to claw back the assistance the government will have provided to pensioners and households. It is Mr Abbott's great big new pension clawback that we are confronting here. The difference between the government and the coalition could not be more clear: the government will provide assistance to pensioners and householders, and the coalition will take it all away.

**Honourable members interjecting—**

**The SPEAKER:** The members for Moreton and Mitchell probably should be outside the chamber now, but they are lucky.

**Carbon Pricing**

**Mr ABBOTT** (Warringah—Leader of the Opposition) (14:26): My question is to the Prime Minister. Does the Prime Minister agree with the Minister for Resources and Energy that 'no-one can rule out a mine or two closing' because of the government's carbon tax? Can the Prime Minister guarantee that the Moranbah North mine, the Broadmeadow mine, the North Goonyella mine, the Carborough Downs mine, the Newlands mine or the Oaky Creek coal complex No. 1, all of which are in the electorate of Capricornia, will remain open if her carbon tax is introduced?

**Ms GILLARD** (Lalor—Prime Minister) (14:27): I thank the Leader of the Opposition for his question and I certainly thank him for the reference to the electorate of Capricornia, because, as the Leader of the Opposition may well know, I was very recently in that electorate visiting with the local member there, who does a fantastic job in this place representing that community in this parliament. I want to adopt her words—she moves around her community, and people have heard on the radio or seen in the newspapers or seen on the TV screens—

**Mr Robb interjecting—**

**The SPEAKER:** The member for Goldstein is warned!

**Ms GILLARD:** I thank the Leader of the Opposition's fear campaign and scare campaign about the future of the resources industry—

**Mr Pyne:** It was your own minister!
The SPEAKER: The member for Sturt is warned!

Ms GILLARD: she actually meets that fear campaign with a very simple line: she says to people, 'Believe your eyes.' Believe your eyes because right throughout that electorate you can see new development. Believe your eyes because that new development will of course be continuing. Believe your eyes because that electorate, like resources based electorates around the country, has a great future with the development of the resources industry.

These apocryphal statements from the Leader of the Opposition remind me that this is not the first time we have heard fear campaigns about mining. We have had fear campaigns in the past. There was the fear campaign run when Bob Hawke took a brave decision to protect Kakadu and we were told that the mining industry would be closed. What is the truth since?

Mr Pyne: Mr Speaker, I rise on a point of order. The Prime Minister was asked whether she agreed with the minister for resources that you could not rule out a mine or two closing and guaranteeing that these mines in Capricornia would not close. I would ask you to bring her back to the very straightforward question.

The SPEAKER: Order! The Prime Minister will directly relate her answer to the question.

Ms GILLARD: Thank you very much, Mr Speaker. I am simply reminding us that fear campaigns in the past have been simply that. When we have seen fear campaigns about mining in the past, we have seen mining growth afterwards. That was true of the fear campaign following Kakadu when Bob Hawke was Prime Minister. It was true of the fear campaign run by the coalition about the minerals resource rent tax, when now, of course, they are there saying, 'It's okay to put royalties up but mining taxation is fine as long as it is decided upon by a state Liberal government.' Despite all of that fear campaigning, we have seen jobs and investment in mining rise. Of course, the responsible minister was on radio discussing these matters this morning, and I would refer the Leader of the Opposition to his words—and I think these are very wise ones: 'Yes, there are going to be a few gaseous mines challenged, but there is also going to be a huge expansion in this industry that is actually going to create jobs over time.' Let us go through those words again: 'create jobs over time'.

So, for people who work in mining, what they should be reassured about in the future is that there will be more jobs in mining. For communities that directly rely on mining, what they should be reassured about for the future is that there will be more jobs and more investment in resources. For the Australian economy overall, what people can be reassured about is that there is a huge pipeline of investment into our resources sector. This is a very special time in the Australian economy and it falls to us to make sure that that new prosperity is shared as new opportunities for all Australians. The fear campaign of the Leader of the Opposition will be exposed as just that. The resources industry has a very bright future and people who work in it, like the people in the member for Capricornia's seat, know that from their own experience.

Carbon Pricing

Mr CHEESEMAN (Corangamite) (14:32): Mr Speaker, my question is to the Treasurer. Will the Treasurer update the House on the results of the Productivity Commission’s inquiry into a carbon emissions policy in key economies. How has
the inquiry been received and what is the government’s response?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:32): I thank the member for his question, because the report has been received very well. The report is important in terms of the carbon debate. The report shows the importance of concerted action around the globe. And, of course, the report points to the importance of a carbon price. The commission examined climate change policies in seven out of our top 10 trading partners, including the United States and China. It contains two very important messages. Every single country is putting in place a suite of policies to reduce emissions and to transform their economies. This is understood among our trading partners. There is something like 1,000 policies in place across those countries. So it is overwhelmingly clear that global action is taking place. The second point that it made is very, very important. It says that a carbon price is the most important, cost-effective way to cut pollution. The report says:

The consistent finding from this study is that much lower cost abatement could be achieved through broad, explicitly carbon-pricing approaches …

What this report shows is that Australia is not in danger of acting alone. In fact, we are in danger of falling behind. We know, as a result of this report, if we want our businesses to be competitive in the 21st century, we have got to have a clean energy future. Acting on climate change through a carbon price is imperative. That is why business organisations like BCA, AiG and many others are all supporting a market based mechanism. It is why Liberals like the member for Wentworth have supported a market based mechanism. It is why Dr Hewson has supported a market based mechanism. It used to be supported as well by the shadow Treasurer.

The other importance of a market based mechanism is that it does supply the revenue which can be used to assist households and industry to make the transition. The government has made it very clear that we will provide generous assistance to make that transition. It shows us the really clear contrast between the approach of the government with a market based price and the policies of those opposite, which are simply policies of subsidies for polluters. What this report makes very clear is how ineffective a policy of subsidies for polluters is.

Mr Pyne: Mr Speaker, on a point of Order: I refer you to the standing order about members gathering in the gangways rather than sitting in their seats. The foreign minister's attention should perhaps be drawn to this so that he can listen to the answer of the Treasurer.

Honourable members interjecting—

The SPEAKER: Order! When the House comes to order, the Treasurer will have the call. All members know their responsibility to take their places on entering the House.

Mr Tony Smith interjecting—

The SPEAKER: The member for Casey is warned.

Mr SWAN: Those on the other side of the House have a policy of subsidies for polluters. They are going to tax our taxpayers to give subsidies to polluters. Of course, in that arrangement there is no revenue to assist pensioners and no revenue to assist households out there that are doing it tough, no revenue whatsoever. That is why there is such unhappiness on that side of the House about their great big pension clawback that they have planned. If they want to come in and take away the generous
assistance to pensioners and the generous assistance to households, this absolutely shows how out of touch they are with average families and with pensioners. We on this side of the House will stand up for pensioners and will stand up for average families. Those on that side of the House are standing up for the big polluters.

**Carbon Pricing**

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:38): My question is to the Treasurer. I refer the Treasurer to this statement about the carbon tax by the head of the Australian Workers Union, Paul Howes. He said:

... we will end up reliant on imported steel, which will not only increase our carbon footprint but will transfer offshore our jobs, our wealth ... Does the Treasurer agree with Mr Howes's assessment of the effects of the carbon tax and will he agree to the AWU’s demand to exempt the steel industry?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:38): What I can say to the Deputy Leader of the Opposition is that with a carbon price we will see strong economic growth, strong income growth and strong jobs growth. What is clear from the Productivity Commission report and what is clear from modelling that has been conducted by Stern and Garnaut and was conducted for us through the CPRS is that economic growth with a carbon price remains strong, that jobs growth with a carbon price remains strong and that income growth with a carbon price remains strong.

Ms Julie Bishop: Mr Speaker, on a point of order: I asked the Treasurer whether he agreed with Mr Howes' assessment that the carbon tax would increase the carbon footprint and transfer offshore jobs and wealth and did he agree with the AWU's demand to exempt the steel industry. That was the question.

Mr McCormack interjecting—

The SPEAKER: The member for Riverina might occupy his time better by not interjecting but reading Practice and he will learn that, whether he thinks the question can be answered yes or no, that is not the practice of this place. But interjections are disorderly. He is warned. The Treasurer has the call. He will relate his remarks directly to the question.

Mr SWAN: Because I am a Labor Treasurer, my most fundamental concern is for jobs. It is for job security, it is for more jobs.

Opposition members interjecting—

The SPEAKER: Order! The Treasurer has the call, not anybody else.

Mr SWAN: I know that those on that side of the House are not concerned about jobs. What they are concerned about is running a scare campaign. But a price on carbon is important because it drives investment in clean energy. To be a prosperous economy in the 21st century we have to be driven by clean energy and that requires a price on carbon. It does mean as a nation we have to make a significant transition. It does mean that there will be assistance for some industries which are trade exposed and energy intensive. We are absolutely committed to working with those industries because we are concerned about jobs—jobs in the near term, jobs in the medium term and jobs in the long term—because only we on this side of the House have the guts to take the hard decisions to protect our future prosperity.

Those on that side of the House are running away, running away from the fundamental decisions that need to be taken to support jobs and to create wealth in our economy. They are pretending that they have a policy in this area. Their policy of subsidies for polluters will tax taxpayers and
hand the money to industry but it will not necessarily provide any of the assistance for the workers of this country that we are determined to provide. We are absolutely concerned about jobs and we welcome a debate about the future of jobs in this country, because, when we have in the past put in place the big structural reforms, we have done that so we can support jobs, not just more jobs but jobs with higher wages, so a higher living standard for all Australians. That is what reform is about.

The Liberal Party once used to stand for fundamental reform. They do not any longer. They are now split between two camps. You have the Abbott camp, which is the deniers and they take any opportunity to—

**The SPEAKER:** Order! The Treasurer will return to the question.

**Mr SWAN:** And we have the Turnbull camp—

**The SPEAKER:** Order! The Treasurer will return to the question. Mr SWAN: which actually believes in doing something.

**The SPEAKER:** Order! The Treasurer will not debate the question beyond directly relating his debate to the question.

**Mr SWAN:** Mr Speaker, the question was about jobs and what we need to do as a community to create jobs and to support jobs. We have made it very clear that we will be supporting energy intensive, trade exposed industries to make the transition. Why are we doing that? Because we want more jobs. We want better jobs and we want a brighter future for all Australians in a sustainable economy.

**Same-Sex Relationships**

**Mr WILKIE** (Denison) (14:43): My question is to the Prime Minister. Australians wanting to marry overseas need certificates of no impediment to marriage from the Australian government, but the government refuses to issue CNIs to same-sex couples seeking to marry in countries allowed same-sex marriage despite the Senate Legal and Constitutional Affairs Committee recommending in 2009 that the government should do so and the understanding Australians overseas should comply with the laws of the country they are visiting. The ban on issuing CNIs to same-sex couples looks petty and mean spirited. Will you lift it?

**Ms GILLARD** (Lalor—Prime Minister) (14:44): I thank the member for Denison for his question. He has asked me about the issuing of certificates of no impediment where an Australian citizen is getting married overseas. Of course, what a certificate of no impediment means is that there is no impediment to the recognition of that marriage under Australian law. Given that under Australian law through the Marriage Act a marriage is between a man and a woman, it would not be proper to issue a certificate of no impediment because in truth we do not have the mechanism under current law to recognise a same-sex marriage overseas. I understand that the question of same-sex marriage is a controversial one in the community. I have made my views very well known and the position of the government is also very well known. But I am under no illusion that members in this place and members of the Australian community more broadly have different views on the question of same-sex marriage. As is the way of things in our great Australian democracy, I am sure we will continue to debate that.

With the certificates of no impediment, it would only be proper to issue those if Australian law changed. Of course, my view and the view of the government is that there should be no change to Australian law in the terms of the Marriage Act. However, the
government does have a proud track record of amending Commonwealth legislation to remove discrimination against same-sex couples. There are, by recollection, more than 80 pieces of legislation in which such discrimination has been removed. Such discrimination did impact directly upon the lives of people, for example with superannuation benefits where the benefits could transfer from one member of a couple to another. Those kinds of discrimination and impediment have been dealt with by the government. The Labor policy is to note that state jurisdictions can move to registers and recognitions of relationships and a number of jurisdictions have done so. Indeed the member for Denison represents in this place a state that has moved in that direction. I understand that there will probably be a continuing community debate. I think there will be some intensity in that debate about same-sex marriage, but it would not be appropriate to take the course that the member for Denison asks me to with Australian law and the Marriage Act defining marriage as between a man and a woman.

Carbon Pricing

Ms BRODTMANN (Canberra) (14:47): Mr Speaker, my question is to the Prime Minister. Prime Minister, how is a carbon price the best way to protect jobs, build a clean energy future and help lower our emissions? How is the rest of the world acting to combat climate change and how can Australia ensure we do not get left behind?

Ms GILLARD (Lalor—Prime Minister) (14:47): I thank the member for Canberra for her question. The member for Canberra may be aware that today I took the opportunity to meet with some plumbers and electricians who work right here in Canberra, right here in the ACT. They came to Parliament House to give me a letter and to give me a very simple message—that is, they want to see us price carbon and they want to see us develop the low-emissions economy of the future. David Golack, the ACT General Manager of the Axis Plumbing Group, who came as well, said to me: 'There are going to be jobs created by the carbon price. There won't only be jobs created for tradespeople; there will also be a considerable knock-on effect for the people who train the tradespeople as well as the people who maintain compliance. We can see further work and job opportunities created as a result of a carbon price based on the green technology opportunities. There are tremendous opportunities ahead.' Those were his words as an employer of plumbers and an employer of apprentices.

The group was joined by Peter Tighe and Earl Setches from the electrical and plumbing divisions of the CEPU, representing around 80,000 plumbers and electricians. I note that, somewhat curiously, the opposition today appears to be dreadfully interested in the statements of union officials about carbon pricing. This is an opposition that in government never used the word 'union' unless it was in a sentence saying, 'How can we smash the union?' Remember the dogs and balaclavas of Peter Reith, who is now interestingly enough doing the Liberal Party review. One can only imagine the dogs-for-all policy that is going to come out of that. The only time they were interested in the word 'worker' was when they were putting it in a sentence to say, 'How can Work Choices rip pay off a worker?' But today they are pretending an interest in the words of unions, so let us listen to some from Peter Tighe and Earl Setches representing around 80,000 plumbers and electricians: 'Climate change is real and we are well placed to know that because in our industry we are providing the
tools to meet the challenges. The costs of carbon pollution in this country have already been felt through water shortages, environmental degradation and pollution. A price on carbon will mean a further boom for jobs and more apprentices.’ Those are their words.

Australia has to act on carbon pollution because we cannot afford to be left behind the standards of the world. The world is moving to create a clean energy future. We cannot afford to be left behind. On that topic so often misrepresented by the Leader of the Opposition, today I was very pleased to launch, with the minister for climate change, a new set of fact sheets which deal comprehensively with how the world is acting. I know the Leader of the Opposition does not like those inconvenient things called facts but they are now in three clear fact sheets for him. Can I say to the Leader of the Opposition, as we continue to talk about the facts, the science of climate change and the facts of pricing carbon, he is threatening Australians with a triple whammy. He wants to put a price on their fruit and vegies at Coles and Woolworths to fund his paid parental leave scheme, he wants to jack up their taxes in order to fund his ridiculous carbon pollution plans and he wants to claw back from Australian pensioners and Australian families the money we will give them in assistance, cutting the amount of money they have in their hands to meet their bills. We will get on with the job of doing the right thing to tackle climate change and to create the clean energy economy of the future.

**DISTINGUISHED VISITORS**

The **SPEAKER** (14:52): I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Tuvalu led by the Speaker, the Rt Hon. Sir Kamuta Latasi OBE, PC, KCMG. On behalf of the House I extend a very warm welcome to our visitors.

**Honourable members:** Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Asylum Seekers**

**Mr ABBOTT** (Warringah—Leader of the Opposition) (14:52): My question is to the Prime Minister. Now that Nauru has announced that it intends to ratify the UN convention on refugees while Malaysia will not ratify the convention, will the Prime Minister pick up the phone to the President of Nauru to reopen a centre which is humane, cost effective and proven in the fight to stop people smuggling?

**Ms GILLARD** (Lalor—Prime Minister) (14:52): I thank the Leader of the Opposition for his question. Welcome back is what I say to him after his recent visit to Nauru. What I would say to the Leader of the Opposition, and I said it some time ago, is that we of course welcome nations in our region becoming signatories to the refugee convention. That is a good thing. We welcome nations doing that. At an earlier point in time when Nauru indicated it might be interested I said we would be more than happy to make available officials to assist in the technical cooperation to get it done. If Nauru does want to get involved in the refugee convention, that is a good thing. But I would point the Leader of the Opposition to words from the United Nations High Commissioner for Refugees, who has said today:

UNHCR would welcome approaches from any state contemplating becoming a party to the refugee convention, but UNHCR’s Canberra office is not aware of any formal steps by Nauru in this respect …

If they do take such formal steps, that is a good thing. But, even if they do take such formal steps, that is not a substitute. The
Leader of the Opposition is suggesting a detention facility should go there. That is not a substitute for the regional approach we are taking to combating the scourge of people smuggling.

We want to work through a regional approach. That is what the Bali framework was about. Under the auspices of that Bali framework we are negotiating a transfer agreement with Malaysia. The key difference here is that through the transfer agreement with Malaysia we would say to people smugglers—as we are saying now—and to the asylum seekers that they seek to get on their boats: 'If you pay your money and risk your life, you will not end up in Australia. You will end up in Malaysia.' Under the Leader of the Opposition's plan, which is a fundamentally weaker plan, what would happen is that people smugglers would be able to say to asylum seekers, 'Sure, you will have to go to Nauru, but you will end up in Australia.' The majority of people found to be refugees when the Nauru centre was last in operation ended up in Australia. That is the truth of it.

We have a choice here between a regional solution and a one-out plan. We have a choice here between a solution that sends the message to people smugglers, 'If you ply your trade and try to bring people to Australia they will not end up in Australia,' and the Leader of the Opposition's weaker position—

Mr Simpkins interjecting—

The SPEAKER: The member for Cowan is warned.

Ms GILLARD: which is that they will end up in Australia after some time on Nauru. That is the difference between the two positions. Ours is a more effective approach to taking out of the hands of people smugglers that very product that they seek to sell to asylum seekers. The Leader of the Opposition's approach is to say that they have the ability to end up in Australia via a detour to Nauru. That is the difference, and we will keep pursuing the agreement with Malaysia.

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

The SPEAKER: Has the Prime Minister concluded?

Ms Gillard: Yes.

The SPEAKER: The Prime Minister has concluded. The Leader of the Opposition will resume his place.

DISTINGUISHED VISITORS

The SPEAKER (14:56): I inform the House that we have present in the gallery this afternoon the Hon. Tom Uren. On behalf of the House I extend to him a very warm welcome. With some personal indulgence, I wish him all the best on his 90th birthday last fortnight.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr SYMON (Deakin) (14:57): My question is to the Minister for Climate Change and Energy Efficiency. Will the minister outline the government's commitment to introducing a carbon price through a market mechanism? How has this been received and what is the government's response?

Mr COMBET (Charlton—Minister for Climate Change and Energy Efficiency) (14:57): I thank the member for Deakin for his question. A carbon price is the cheapest and fairest way of reducing Australia's carbon pollution. A market mechanism will cut pollution in our economy at the least cost. There is widespread recognition of that and widespread support for that approach. Recently 13 prominent economists have said
a market mechanism is the most efficient way. Industry associations, including the Business Council, have advocated that a market mechanism is the most efficient way of tackling climate change. Leaders from various religious faiths were in parliament a couple of weeks ago and advocated action on climate change. Former Liberal leaders from Malcolm Fraser through to Dr John Hewson through to the member for Wentworth all agree that a market-based mechanism is the best way to tackle climate change. Finally, as the Treasurer averred to earlier, the Productivity Commission made it crystal clear in a report released last week that carbon pricing would deliver through a market mechanism any given reduction in pollution at the least cost.

We were also recently reminded that none other than the opposition leader has also supported a market mechanism in various forms, either a carbon tax or an emissions trading scheme, at various points in time. But he subsequently sought to disown his own comments. Last week a journalist asked the Leader of the Opposition the following:

Mr Abbott in 2009, the interview that was aired on Monday night, you said that if you want to put a price on carbon, why not do it with just a simple tax. How has your position on that changed now?

The Leader of the Opposition responded as follows:

I was asked if, if you wanted to put a price on carbon—and I didn’t think we should put a price on carbon then …

And the Leader of the Opposition says he does not now. The only trouble with that is that the Leader of the Opposition is on the record on multiple occasions in the past supporting a carbon price. Here are a few examples. In December 2008, the Leader of the Opposition had this to say in his Daily Telegraph blog:

An emissions trading scheme probably is the best way to put a price on carbon …

In July 2009, the Leader of the Opposition wrote the following:

Still, a new tax would be the intelligent skeptic’s way to deal with minimising emissions …

One would not know who he was referring to as an intelligent sceptic. Again, in November 2009, he said on radio 2UE—

Mr Pyne interjecting—

The SPEAKER: The member for Sturt, having been warned, has now interrupted. He will leave the chamber under standing order 94(a) only because I do not think it was worth three days.

The member for Sturt then left the chamber.

Honourable members interjecting—

The SPEAKER: He has been out for a day. If I name him I would have to get the support of the House to give him three days.

Mr COMBET: Mr Speaker, we are on board with that proposition I think.

The SPEAKER: The minister will get back to the question.

Mr COMBET: Again, in November 2009, the Leader of the Opposition said on radio 2UE, ‘You can't have a climate change policy without supporting an ETS at this time.’

Not only is the Leader of the Opposition intent on spreading misinformation about the government’s policy; he is now also spreading misinformation about his own—misrepresenting his own position, which is on the record from the past. We know how the Leader of the Opposition views himself on this issue: he is a self-confessed weathervane on climate change policy. His position has been a muddle for a period of time, but there are some things that are perfectly clear. (Time expired)
Asylum Seekers

Mr MORRISON (Cook) (15:02): My question is to the Minister for Immigration and Citizenship. I refer the minister to his proposal to transfer illegal arrivals from Australia to Malaysia in the five-for-one people swap deal. Can the minister assure the House that he has visited the facilities where they will be accommodated, the hospital where they will receive their health care and the schools that their children will attend and can he guarantee that he is satisfied with the standard of care they will receive for the entire duration of their stay in Malaysia, as I can for illegal arrivals transferred to Nauru?

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (15:03): I thank the honourable member for his question. I can confirm that of course I visited Malaysia several times in recent months and of course I can confirm that the arrangement between the prime ministers that was announced—that asylum seekers transferred from Australia to Malaysia will be treated with dignity and respect and in accordance with human rights standards—will be operationalised. I can also confirm that this is an arrangement which has been developed in conjunction with the Office of the United Nations High Commissioner for Refugees, which has been consulted at every step of the way, will ensure that appropriate standards of care are in place. That is very important, because there are two alternative propositions before the House. I note the magical mystery tour by the honourable member, with the Leader of the Opposition, to Nauru at the weekend and I notice that some members opposite, including the Deputy Leader of the Opposition, have been trying to claim that the Nauru solution has the endorsement of the United Nations High Commissioner for Refugees.

The Deputy Leader of the Opposition said on 27 May in relation to Nauru that it was auspiced under the United Nations. Senator Birmingham this week claimed that the Nauru centre was 'overseen and approved' by the UNHCR. Well, the UNHCR had a very funny way of showing it because it said this when the Nauru centre was closed:

UNHCR had strong concerns about the Pacific solution …

… in our view, today's closure of the centre at Nauru signals the end of a difficult chapter in Australia's treatment of refugees and asylum seekers.

It is easier to be more accurate when you are plagiarising than when you make it up as you go. This week, in response to claims from the opposition, the UNHCR said:

UNHCR was not involved and, indeed, distanced itself from any role in overseeing or managing the
processing facilities on Nauru under the Pacific Solution.
I look forward to informing the House and further reporting to the House on the protections in place in relation to the arrangements with Malaysia. I am sure the honourable member for Cook will similarly update the House on his discussions with President Ahmadinejad and the protections that are in place with his transfer agreement with Iran.

Carbon Pricing
Ms LIVERMORE (Capricornia) (15:06): My question is to the Minister for School Education, Early Childhood and Youth, representing the Minister for Innovation, Industry, Science and Research. Will the minister inform the House about the support shown by scientists, businesses and other members of the community for the government's plan to introduce a price on carbon?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (15:07): I thank the member for her question. I am asked about support for an action plan to deal with dangerous climate change. The fact is that in a country which has a great scientific tradition, producing leaders across a range of disciplines, scientists have the opportunity to provide input to the important public debates that we have about policy. One of the most important of those debates is the debate around the best way to tackle dangerous climate change. Despite what the opposition would have us believe, the facts around climate change are clear—global warming is a reality; it is being caused by greenhouse gas emissions, particularly carbon dioxide; and the consequences of not acting are severe.

I want to highlight an open letter from some 46 members of Australia's scientific community outlining the case for urgent action and condemning those who wish to muddy the waters by relying on unsupported and unscientific views of climate change sceptics. That letter is titled 'Climate change is real'. The signatories to the letter, some of our leading scientists representing a range of scientific fields in Australia's leading universities, are together calling for an end—

Mr Secker: Mr Speaker, I rise on a point of order. I am not sure what this has to do with the minister's portfolio of education. He has nothing whatsoever to do with this.

The SPEAKER: I can only assume that the member for Barker has the same difficulty that I have from time to time and cannot hear properly. The member for Capricornia referred her question to the minister as the Minister representing the Minister for Innovation, Industry, Science and Research in this place. I am sorry if the member for Barker was unable to hear that aspect of the question.

Mr GARRETT: These scientists call for an end to what they describe as the phoney public debate, and for an acceptance that 'climate change is real, we are causing it, and it is happening now'. The letter goes on to say:

A vast number of scientists, engineers and visionary businessmen are boldly designing a future based on low-impact energy pathways ... a future in which substantial health gains can be achieved by eliminating fossil-fuel pollution ...

That is a vision that this government shares and supports. We know that by putting a price on carbon that will be paid by those who emit the most pollution, by providing Australian families with the opportunity to adjust to that and also by supporting low-emission technologies into the future, we will be taking the most effective measures that we can to deal with dangerous climate change. It is not only science that is...
speaking; it is business as well. We have leading business figures consistently saying yes to a price on carbon. When Gail Kelly, one of Australia's leading businesswomen, was asked whether she said yes to a price on carbon, she answered, 'Yes'. Alan Joyce, the CEO of Qantas, said:

We can understand the logic on the carbon tax and why the government regards it as a necessity …

In an open letter to the Prime Minister last month, AGL, BP Solar, Conergy, Siemens and Snowy Hydro, amongst others, said:

A price on carbon … is widely recognised as being the most efficient and effective way of reducing emissions to meet this target.

Dr Jensen interjecting—

The SPEAKER: Order! I will have to go back to my study of Pavlov, but I forgot that the member for Tangney had a Pavlovian response to this minister as well. He was warned earlier in the day; he will leave the chamber for one hour under standing order 94(a).

The member for Tangney then left the chamber.

Mr GARRETT: The fact is that science and business are speaking together. The fact is the Liberals might not believe in climate change but they do believe in clawing back the support that will go to pensioners in this country as a consequence of our taking action on climate change. This is what is happening—the opposition leader, in a great tragedy of public debate in this country, refuses to acknowledge the legitimate point put by scientists that the most effective step we can take is to put a price on carbon and is willing to claw back the assistance that we will provide to pensioners at large.

Asylum Seekers

Mr KEENAN (Stirling) (15:12): My question is to the Prime Minister. Has Malaysia agreed to accept, amongst the 800 asylum seekers to be transferred to Malaysia as part of the five-for-one people swap deal, asylum seekers who are without identification papers and who refuse to cooperate in an identification process?

Ms GILLARD (Lalor—Prime Minister) (15:13): I thank the member for his question. As the member would be aware, we are in advanced discussions with Malaysia. Rather than, as we have seen from the opposition in the past, the member for Stirling going round and making things up, at the appropriate point he will be able himself to see all of the conditions applying to the transfer agreement with Malaysia. I would remind the member that the purpose of the transfer agreement with Malaysia is to break the people smugglers' business model.

Mr Hartsuyker: You created it. You opened the door.

The SPEAKER: The member for Cowper!

Ms GILLARD: It is only by working through our region in a regional way through an agreement like the agreement we are discussing with Malaysia that we can break that model—as opposed to what the Leader of the Opposition and his spokesperson are recommending, which is a one-out action, not being part of a regional solution, not being connected to UNHCR and having the ultimate destination as Australia.

Mr Hartsuyker interjecting—

The SPEAKER: The member for Cowper is now warned.

Ms GILLARD: We are determined to work through to a more effective approach to deal with people-smuggling.
MOTIONS
Asylum Seekers

Mr ABBOTT (Warringah—Leader of the Opposition) (15:14): I move:

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

That this House calls on the Prime Minister to explain why she continues to pursue a people swap policy with Malaysia when it is now abundantly clear that Nauru provides an immediate solution to deal with illegal arrivals that is cost effective, humane and proven. In particular:

(1) why would the Prime Minister send illegal arrivals to Malaysia:

(a) which hasn't signed the UN Convention Against Torture, rather than Nauru which has;

(b) which won't sign the UN Declaration on Refugees, when the Nauru Government announced yesterday that they will;

(c) where they would be detained and tagged, rather than Nauru where they would have the run of the island under an open processing centre regime;

(d) when she can't guarantee the standard and accessibility of medical care, when I have personally seen the hospital in Nauru and I can make this guarantee; and

(e) when she can't guarantee the access to school for the children, when I have personally seen the schools in Nauru and I can make this guarantee; and

(2) above all, why should the Australian taxpayer be forced to pay over $300 million for a new processing facility in Malaysia when they have already funded one in Nauru that could be rapidly re-opened for a fraction of the cost and has been proven to work.

This is a very important issue. There is no more important issue than protecting the borders of our country. What is manifestly clear is that nothing this government has so far proposed has worked to protect the borders of this country. Back on 24 June last year, a date which will be known forever—at least to the foreign minister—as the day of fundamental injustice, the Prime Minister of this country said:

I accept that the Government has lost track. We will get back on track. I have taken control—mark those words—

for precisely that purpose.

What control and what track? When it comes to border protection, the Prime Minister firstly announced that she would be sending boat people to East Timor. She made this announcement before the East Timorese government even knew about it. Then the Prime Minister announced that she would be sending boat people to Manus Island. She made this announcement before the PNG government had agreed to it. Finally, on the Saturday before the budget and in a state of desperation over the constant flow of boats to our borders, she rushed out—gazumping the Treasurer's own budget—and announced that boat people would be sent to Malaysia.

She announced a deal before it was done. Every day in this parliament and in the public arena, as we saw earlier today in question time, it is clear that nothing about this deal is certain.

The one thing that is absolutely certain about this deal is that this Prime Minister, this minister and this government cannot be sure that boat people sent to Malaysia will be treated humanely. They cannot give that guarantee. I can give an absolute guarantee that any boat people sent to Nauru will be treated humanely and in accordance decent Australian standards. I can give that guarantee because they have gone to Nauru in the past and they have been treated humanely.

The problem with the Prime Minister's people swap with Malaysia is that it is unfair to our country. Why should we take five times the number from Malaysia that they
are taking from us? It is unfair and it is costly. Why should we spend $300 million to establish a processing centre in Malaysia when we have already spent the money to establish a centre in Nauru?

There is no more urgent matter for this House to consider than this, given the urgency of resolving the problem at our borders. We must suspend standing orders because it is the only way we can discuss the inhumanity that is inherent in what the government is proposing. Anyone sent to Malaysia under the government's deal, unlike sending people to Nauru, will be subject to Malaysian norms and not ours. I make no criticism of the Malaysian government. I make no criticism of the standards that the Malaysian government chooses to apply to its own people and to people who come irregularly to Malaysia, but people who have come to Australia deserve to be treated according to Australian standards. That is how they deserve to be treated and we can give a guarantee that anyone sent to Nauru will be treated humanely and decently.

What the government is proposing is that boat people who come to Australia will be sent to Malaysia. They will be detained, then they will be tagged and then they will be released. It is a 'tag and forget' policy. What this government thinks—as if these human beings are going to roam around Malaysia for the rest of their days with tags around their necks—is that somehow this tag, this talisman, will protect these boat people indefinitely from the rigours of the Malaysian penal system.

We have just heard what the Prime Minister said on another subject which involved the standards that apply in another country. She wants to send a flotilla of inspectors to that other country, and until those inspectors have been to that other country there is no way that we can have dealings with that other country. Is there a proposal to send inspectors to Malaysia? Is there a proposal to send similar battalions of inspectors to Malaysia to ensure that this tag is somehow sacrosanct? Of course there is not. I say to the decent, humane and caring members opposite who spent so much of their political careers attacking the Howard government for its alleged inhumanity to boat people: how can you sit there? How can members of the Left sit there silent when this government is proposing to deal with boat people in a way that is infinitely, vastly worse?

Tom Uren has been sitting in this parliament today listening to members of the Labor Party support a solution for the people-smuggling problem which will expose people who come to this country to caning with the rattan. It is necessary that we suspend standing orders because nothing is more important than ensuring that this government does not expose the boat people who come to this country to standards which are not ours.

I have been to Nauru. I have seen the facilities and I know what can be done. I know that there is no caning in Nauru. Detention is more cost-effective in Nauru and in conjunction with the use of temporary protection visas it has been proven to work. I visited many facilities in Nauru over last weekend and one of those facilities was a new police headquarters. I ask members opposite to note this: any people sent to Nauru who fall foul of the laws of Nauru would go to that police headquarters. I did not see any rattans. I did not see any whipping posts. I did not see any. Has Minister Bowen been to Malaysia? Has he inspected the justice facilities there? Can he give an absolute guarantee, any sort of guarantee, that boat people sent from Australia will not be treated by standards that we think are utterly inhumane.
Standing orders must be suspended so that this Prime Minister can explain why it is that she proposes to subject people who have come to this country, who have sought the protection of this country, to this kind of regime. She must explain herself. She must explain why she said, 'I would rule out anywhere that is not a signatory to the refugee convention,' but is now proposing to send people to Malaysia. (Time expired)

The SPEAKER: Is the motion seconded?

Mr MORRISON (Cook) (15:24): I second the motion. It is important that the Prime Minister come in here and explain herself because she has much to explain in relation to this matter. Australia does not want a people swap with Malaysia. It does not need a people swap with Malaysia. It needs a policy swap back to the proven solutions put in place by the Howard government, and that requires reopening Nauru and reintroducing temporary protection visas. The only people swap the Australian people are interested in is not a people swap with Malaysia but a people swap for the prime ministership of this country—from Julia Gillard to the Leader of the Opposition, Tony Abbott. That is the people swap the Australian people are interested in.

What we have seen time and time again from this government are knee-jerk reactions and ill-thought-through policies, and then the mayhem follows. The mayhem that has followed this government's decision to wind back the Howard government's border protection policies is writ large on our borders and it is writ large in the detention network, which is in a rolling crisis—every other day it seems that something is burning down, someone is assaulting someone or someone is breaking out. These things happen on average more than three times a day in the detention network. There is a critical incident more than three times a day in our immigration detention network.

Australia is tired of the failed and ill-thought-through policy debacles of this government, whether it is in border protection or anywhere else, and it is incumbent on the Prime Minister to come into this House and explain why on earth she would pursue this arrangement in Malaysia when there is a proven, more humane and more cost-effective solution that can be immediately introduced. On the eve of the budget, almost seven weeks ago, the Prime Minister and the Minister for Immigration and Citizenship, who is sitting opposite, declared the Malaysian people swap deal. Almost seven weeks later, we still do not have an agreement. Almost seven weeks later, Minister Bowen was unable to tell this House whether he has visited one school, one police officer's precinct or one hospital in Malaysia that would be available to those whom he intends to send to Malaysia. The Prime Minister was unable to explain whether people who turn up in Australia by boat without documentation—and, as Minister Bowen knows, that is about 84 per cent—will be accepted by Malaysia. Will Malaysia use their right of veto to reject people on religious grounds? Will they exercise their right to take people or not take people if they have communicable diseases? The minister knows that last week there was a case of leprosy in our detention network. And there have been cases of tuberculosis. We have had a pilot refuse to take off because people had not got their tuberculosis screening back. Thank goodness the pilot was doing his job that day because this government, clearly, is not doing its job. It wants to cut corners to try and manage its crisis in the detention network.

The coalition's border protection policies are proven. I know the government are in
massive denial about this, but there is one thing they just cannot hide from: in 2001 there were 43 boat arrivals and at the end of that year the Howard government introduced the Pacific solution—which was on top of temporary protection visas—and in 2002 there were no boats. In the last six years of the Howard government fewer people turned up by boat than have turned up in the last six weeks—since the Malaysian deal was announced. If their standard of success is how many people arrive, this arrangement has been less successful in six weeks than the Howard government's solution was over the course of six years.

I commend our proposals to this House because our proposals are proven. They are able to be delivered. I visited those facilities on two occasions and I know it can be implemented. Minister Bowen says that he will not touch anything where they have not signed the refugee convention—well, that went out the window the minute he negotiated the five-for-one people swap deal with Malaysia. The Leader of the Opposition has rightly talked about the treatment that those who go to Malaysia will be subject to. Those opposite should hang their heads in shame because what they are supporting under this agreement is something they would have condemned if any other party had put it forward. They should hold themselves accountable because the Australian people will. (Time expired)

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:29): Once again we have seen the walking vuvuzela of Australian politics, the Leader of the Opposition, with his no, no, no and his relentless negativity. He has nothing to say to the Australian people. What is worse about this all opposition, no leader opposite is that he is trashing the foundations of our parliamentary democracy. During those 17 days after the last election we determined a new set of functioning rules. For the first months after the August election we had 20 questions in here every day with one exception, when the Leader of the Opposition moved a suspension of standing orders. We expect a suspension of standing orders to happen every now and again when there is something urgent before the House for which there is no alternative but to move a suspension of standing orders in order for it to be debated.

But the farce has been exposed today. The member for Cook has submitted a matter of public importance on asylum seekers, which has been accepted by you, Mr Speaker, and on which there will be a debate after question time concludes. That debate will include the member for Cook, the Minister for Immigration and Citizenship and at least two other speakers from each side—so the farce is exposed. Even though there will be a full debate in this parliament on the MPI that has been put forward by the member for Cook, so hopeless are they, so negative are they, that they have moved a suspension of standing orders which will knock off their own debate. That is similar to what happened on a previous sitting day of parliament when an MPI was put in by the member for Wentworth. The opposition moved a suspension which meant that the member for Wentworth did not get an opportunity to have a proper debate on his MPI on the National Broadband Network.

Way over 40 per cent of question times have now been disrupted by the Leader of the Opposition. On 11 separate occasions, out of the 26 question times this year, he has moved a suspension of standing orders. That has real consequences. Decent oppositions, oppositions that have an alternative program, have always taken the opportunity to put forward their alternative program before this parliament to try to hold the executive
government to account. But those opposite have simply given up. As a result of the Leader of the Opposition's actions, we in this parliament have missed out on over 100 questions—over 100 questions given up which they could have asked of the executive.

Mr Morrison interjecting—

The SPEAKER: Order! The member for Cook was heard in silence.

Mr ALBANESE: That is more than five complete question times gone—wasted—as a result of their opportunism and relentless negativism. It is not surprising, because when we do have a debate of substance, we find them wanting, time and time again. Their mindless opposition to our budget proposals comes through. Never before has a budget been brought down in this parliament which the opposition have chosen from day one not to ask questions about. They do not worry about the macroeconomic settings, jobs, programs, savings or the return of the budget to surplus in 2012-13. They have simply moved away, from day one, from trying to hold the government to account.

But their mindless opposition is a risk. They continue to say that they will oppose savings measures in the budget without saying where the alternatives will come from. We know that that is the case from their own statements. We know that there is chaos in the opposition as a result of their determination to claw back money that will be given back to pensioners, to claw back assistance that is given to industry and to claw back assistance that is given to working Australians. Indeed, a senior Liberal was quoted in the Sydney Morning Herald today as saying, 'You can't take money away from pensioners, it would kill us.' There we see the motivation of the Leader of the Opposition. He knows that he will not last the distance. He came in here after the August election and said to his colleagues on the front bench, 'I will keep the member for McKellar and I will keep all these jaded hacks on the front bench.' To those on the back bench—the future of the Liberal Party and the future of conservatism—he said: 'You just wait your time sitting up the back, Member for Mayo, Member for Higgins and others. You just be patient, because the government will fall at any second.'

For the first sitting of this parliament, for those five weeks, we actually had question time. Since then, we have had a Leader of the Opposition who is so scared of himself, so busy running away from his own side and so determined to acknowledge the fact that he will not last the distance that he is hell-bent on wrecking the parliament. The fact is that there has never been an opposition in history, since Federation, which has not regarded question time as the most important time for an opposition to hold government to account. But we see here an opposition that cannot hold government to account because at each and every turn they are skewered by their own history. The Leader of the Opposition's gave that great quote on Sky News on 29 July 2009:

I also think that if you want to put a price on carbon, why not just do it with a simple tax? Why not ask motorists to pay more, why not ask electricity consumers to pay more, then at the end of the year you can take your invoices to the tax office and get a rebate? It would be burdensome, all taxes are burdensome, but it would certainly change the price of carbon, raise the price of carbon, without increasing in any way the overall tax burden.

Mr Andrews: Mr Speaker, a point of order on relevance: this rant has nothing to do with the motion. He has not even attempted—

The SPEAKER: The member for Menzies will resume his seat. The Leader of the House is aware of his responsibility to
talk to the motion, which is the procedural motion for the suspension of standing orders.

Mr ALBANESE: That is exactly right, Mr Speaker. I have mentioned the suspension of the standing orders, unlike the Leader of the Opposition. It is no wonder we have another example whereby they are trying to protect the leader from himself. They are trying to protect the leader from his own quotes. It is one thing to be climate change sceptics but those opposite have also become market sceptics when it comes to action on climate change. It is not just the Leader of the Opposition because we know that the shadow Treasurer had this to say on 20 May 2010:

Inevitably, we'll have a price on carbon. We'll have to.

That is what they said—the Leader of the Opposition, the shadow Treasurer—all on the record over and over and over again.

Mr HARTSUYKER: Mr Speaker, I rise on a point of order. I would ask you to draw the minister back to the purpose of the motion.

The SPEAKER: The motion is a suspension of standing orders. The Leader of the House will refer to that.

Mr ALBANESE: Thank you, Stanley.

The SPEAKER: Order! The minister will withdraw because it seemed to have had some effect.

Mr ALBANESE: He does not mind. I will withdraw if he finds it offensive. I withdraw.

The SPEAKER: The minister has withdrawn.

Mr ALBANESE: The fact is that their mindless oppositionism exposes itself each and every day when they fail, even on the question of Nauru. Did we actually see any costings come out from them on Nauru? Did we see any solutions? It is the longest distance anyone has ever travelled to do a doorstop.

Opposition members: Kevin! Kevin!

The SPEAKER: Order! The House will come to order. The Leader of the House has the call.

Mr ALBANESE: The good thing about it is that it just showed their mindless oppositionism because we know that the walking vuvuzela over there has only one thing to say to the Australian people and that is no, no, no, no, no, no.

The SPEAKER: Order! The time allotted for the debate has expired.

Question put:

That the motion (Mr Abbott’s) be agreed to.

The House divided. [15:44]

The Speaker—Mr Harry Jenkins

Ayes ................. 71
Noes ................. 74
Majority ............. 3

AYES


AYES
Roy, WB
Scott, BC
Schultz, AJ
Slipper, PN
Somyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG
Ruddock, PM
Secker, PD (teller)
Simpkins, LXL
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

NOES
Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM
Cheeseeman, DL
Collins, JM
Crean, SF
D’Ath, YM
Elliot, MJ
Ferguson, LDT
Fitzgibbon, JA
Geoghegan, S
Gillard, JE
Grierson, SJ
Hall, JG (teller)
Husic, EN
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Pilbaraek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakou, M
Windsor, AHC
Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP (teller)
Jones, SP
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
Zappia, A

PAIRS
Neville, PC
Ellis, KM

Question negatived.

Ms Gillard: I ask that further questions be placed on the notice paper.

AUDITOR-GENERAL’S REPORTS

Report No. 47 of 2010-11

The SPEAKER: I present the Auditor-General’s performance Audit report No. 47 of 2010-11 entitled The development and administration of national research flagships: Commonwealth Scientific Industrial Research Organisation.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Presentation

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

That the House take note of the following documents:


Debate adjourned.

MOTIONS

Address by the Prime Minister of New Zealand

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:49): by leave—I move:

That:

(1) the House invite the Rt Hon John Key, Prime Minister of New Zealand, to attend and address the House on Monday, 20 June 2011, at 2.30 p.m.;
(2) unless otherwise ordered, at the sitting of the House on Monday, 20 June 2011:

(a) the sitting commence at approximately 2.30 p.m. when the proceedings shall be welcoming remarks by the Prime Minister and the Leader of the Opposition and an address by the Prime Minister of New Zealand, after which the sitting of the House automatically shall be suspended until the ringing of the bells and that so much of the standing and sessional orders be suspended as would prevent the order of business for the remainder of the sitting prior to 8 p.m. being as follows:

(i) documents;
(ii) Ministerial Statements;
(iii) notices and orders of the day, government business; and

(b) the provisions of standing order 257(c) shall apply to the area of Members' seats as well as the galleries;

(3) a message be sent to the Senate inviting Senators to attend the House as guests for the welcoming remarks by the Prime Minister and the Leader of the Opposition and address by the Rt Hon John Key, Prime Minister of New Zealand;

(4) unless otherwise ordered, the House, at its rising, adjourn until Tuesday, 21 June 2011 at 12 noon and at this sitting of the House:

(a) government business have priority from 12 noon until 2 p.m.;

(b) during the period from 12 noon until 2 p.m. any division on a question called for in the House, other than on a motion moved by a Minister, shall stand deferred until the conclusion of the discussion of a matter of public importance; and

(c) during the period from 12 noon until 2 p.m. if any Member draws the attention of the Speaker to the state of the House, the Speaker shall announce that the House shall be counted at the conclusion of the discussion of a matter of public importance, if the Member then so desires; and

(5) any variation to this arrangement be made only by an action by the Speaker or by a motion moved by a Minister.

This motion invites the Rt Hon. John Key, Prime Minister of New Zealand, to address a meeting of the House on Monday, 20 June 2011. The House will sit with the ringing of the bells with proceedings to commence at approximately 2.30 pm. Following welcoming remarks by the Prime Minister and the Leader of the Opposition, Mr Key will address the parliament. As with the address by the President of Indonesia in March last year, senators will be invited to attend and there will be similar parliamentary arrangements in place including no question time in the House that day. The House will then suspend until the ringing of the bells which we anticipate will be between 4 pm and 5 pm, depending upon the official arrangements with Prime Minister Key.

Prime Minister Key will be engaged in a number of meetings in the morning with the Prime Minister, the Leader of the Opposition and with senior ministers. There will also be a formal ceremonial welcome in the forecourt of Parliament House. For the information of members there will be a formal luncheon in the Great Hall from 12.50 pm on Monday to which, of course, all members and senators will be invited.

Prime Minister Key will become the first New Zealand Prime Minister to address the Australian parliament. Prime Minister Gillard became the first Australian Prime Minister to address the New Zealand parliament earlier this year. Australia's relations with New Zealand are the closest and most comprehensive we have with any country. The relationship is built on a firm foundation of strong government, business and people-to-people links and shared values and history. Prime Minister Key's visit will provide an opportunity to further strengthen
and energise the trans-Tasman relationship. I indicate to the House, Mr Speaker, that we consulted with the opposition about these arrangements, and I thank the opposition for their support.

Mr ANDREWS (Menzies) (15:51): The opposition join with the government in this announcement. We will welcome the visit by the New Zealand Prime Minister. The relationship, the friendship and the camaraderie between Australians and New Zealanders are well known right around the world, and it will be great occasion to have the Prime Minister of New Zealand addressing the parliament.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Asylum Seekers

The SPEAKER (15:52): I have received a letter from the honourable member for Cook proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The need for a proven, more cost effective and more humane solution to address illegal arrivals to Australia.

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 MORRISON (Cook) (15:52): The subject of this matter of public importance is the need for a proven, more cost effective and more humane solution to address illegal arrivals to Australia. The government have themselves a new slogan. You will hear it from the Minister for Immigration and Citizenship, who is sitting opposite me, or from any other members of the government, every single time they get to their feet. It is: ‘Break the people smugglers’ business model.’ What the government do not understand is that the government are the people smugglers’ business model. The government’s policies have underwritten the people smugglers’ activity for the last three years. Those criminals up in Indonesia and around South-East Asia who have been putting people on boats and sending them to Australia for the last three years have been doing so because of the incentive, the conditions and the environment that the government have created through their policies—

Mr Ruddock: Hear, hear!

Mr MORRISON: as the Father of the House knows only too well. They are the reason the people smugglers have had such a good run over the last three years.

Any amount of embellishing rhetoric that comes from the minister proclaiming their commitment to breaking the people smugglers’ business model must be backed up by proven solutions, solutions that are more cost effective, more humane. This is something the government and this minister have failed to do. Their first approach, their first big project—before this minister was in the chair; it was through Senator Evans—was the asylum freeze, which did nothing more than detain people unnecessarily for six months, expand detention times, increase costs and lead to another 1,200 people turning up in the detention network, leading to the chaos that we now see in our detention network.

The Prime Minister’s next big initiative to break the people smugglers’ business model was East Timor. East Timor went the same way. East Timor was a farce of historical proportions in Australian international relations. And now we have the sequel, and that is the Malaysian people-swap deal. The government inherited a solution and created
a problem. It is a point that the coalition has made many times. They inherited a solution and they created a problem. As I said earlier in my remarks to the House, the people-swap deal is not what this country needs; it needs a policy swap. It needs a swap from the knee-jerk, ill-thought-through measures of this government to the proven, more effective, more humane, more cost effective solutions that the coalition has not only proposed but has implemented—most notably through the Father of the House, the member for Berowra, and then through those who followed him—to ensure that Australia had a border protection system that Australians could have confidence in. Today they have no confidence.

While it is true that this government has been the people smugglers’ business model for the last three years, I can guarantee that one thing that will break that people smugglers’ business model is an election. An election would see a change, to the policies that are proven, that are cost effective, that are sensible and that the Australian public overwhelmingly support. This government has, frankly, run out of excuses when it comes to picking up the phone to the President of Nauru and reintroducing temporary protection visas. First of all, there was the great excuse of, ‘They’re not a signatory to the convention.’ The Prime Minister said on 8 July 2010, when talking to 6PR:

I would rule out anywhere that is not a signatory to the refugee convention.

As we all know, Malaysia is not a signatory to the United Nations convention. We know that the Prime Minister was quite happy to throw that pledge away, as she threw away her pledge to the Australian people that there would be no carbon tax under the government she leads. This is a Prime Minister who simply cannot be believed on these pledges that she makes. But we also know that Malaysia is not a signatory to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. This is a serious convention that imposes obligations on countries to ensure that things such as caning cannot be indulged in by countries that are signatories.

Nauru has been working through its process, as I have been aware for some time. I visited there last August and the President told me on that occasion that they had begun a process to look at how they could sign the refugee convention. This was never a deal breaker from our point of view, because I have always known that the people of Nauru, the President of Nauru and all Nauruans would treat those who were sent there from Australia to the highest of standards in terms of their human rights. This has never been in question, and the demonising of the Nauru practice that we had when we were in government and the demonising therefore of the Nauruans has been a disgraceful practice of those who now sit on the government benches and those who sit outside this place and have demonised the Nauruans for how things were conducted. The Nauruans are a friendly people, they are a hospitable people, they are a welcoming people and they will take good care of the people we put in their care. Nevertheless, they have indicated to the Leader of the Opposition and I, just as recently as yesterday, that it is their intention to sign the refugee convention. As a result, this government has run out of excuses to not proceed and pick up the phone. The government also said, back in the election campaign, that the government of Nauru was not stable. The Prime Minister said:

Well the Parliament of Nauru is deadlocked and obviously there isn’t a functioning government …

What the Prime Minister did not understand at that time was that we had spoken to every single member of the Nauruan parliament, and every single one of them was supportive
of reopening the facility in Nauru, as they are today.

The Prime Minister is purveying this fantasy that somehow they are going to reach an agreement with Papua New Guinea. Even the Minister for Foreign Affairs has said he will not go to Papua New Guinea to try to get this Prime Minister out of trouble, because he believes they have more important things to talk about. So the simple question for the Prime Minister and the minister at the table, the Minister for Immigration and Citizenship, is: do they agree with the Minister for Foreign Affairs that they should not be proceeding and arguing their case with the Papua New Guinea government at this present time?

They have said quite openly to members of parliament there that, if the great Minister for Foreign Affairs were to get on a plane and go to Papua New Guinea, things might be different. But the Prime Minister, Minister Bowen opposite and the foreign minister are not prepared to do that. They will send the parliamentary secretary to run an errand for this government and treat the people of Papua New Guinea and treat the people of their government with disrespect. That is what we are seeing from this government when it comes to matters in the Pacific. The refusal to pick up the phone to Nauru and the refusal to deal at a senior level with those in Papua New Guinea are extremely disappointing. That is the excuse put forward and it is an excuse that has fallen over.

Then there is the great suggestion that the great majority of people who went to Nauru ended up in Australia. Minister Bowen told Jason Morrison on 9 June 2011—not that long ago—that there were 2,000. Morrison replied:

4,000. How many thousands came through Nauru to Australia?

Bowen: About 2,000.

That is a quote from the minister opposite. Apparently 2,000 people were transferred to Australia from Nauru. I refer the minister to the statement from Senator Evans issued on 8 February 2008—and I am happy to table it, by leave. It says:

A total of 1637 people were detained in the Nauru and Manus facilities, of whom 1153 … were ultimately resettled from … these centres—
to Australia or other countries. Of those who were resettled … 705 … were resettled in Australia—
not 2,000, not a majority of the 1,637 people, but just barely over 40 per cent. This government and those outside this place constantly put this nonsense that the majority of people who went through the Pacific solution ended up in Australia. It is just simply not true. The minister should be honest about it and those outside this place who continue to repeat this nonsense should also be honest about it.

The government also says that it costs too much. The minister opposite said on 10 May to Howard Sattler—his good mate over in 6PR; Howard Sattler is always happy to talk to you, Minister; he loves having you on the program; so does Ray Hadley; he sends his regards:

Well Nauru would be a very expensive option, a lot more expensive than this Malaysian arrangement …

That is what the minister said. The cost of the Malaysian agreement is $292 million over four years. As the minister knows, from the same celebrated statement from Senator Evans, the cost of running the Pacific solution was $289 million over six years. That is actually less than what this government asked for in one year as a top-up to its budget. We know the budget has gone from less than $100 million a year in expenditure on asylum seeker management to more than $1 billion. The government's
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budget has blown out by $3 billion in this area over two years, and that includes around $450 million in additional capital costs. This government is going to lecture us on this side of the House that we apparently spent too much money. Amazingly, Senator Evans says in his statement that the Pacific solution is ‘a cynical, costly and ultimately unsuccessful exercise introduced on the eve of a federal election by the Howard government’. The department expended $289 million between September 2001 and June 2007. If we could compel the member in the other place to come in here and give an explanation, we should, because he should describe the $3 billion blow-out that this government has incurred. Its $1 billion expenditure has gone up from less than $100 million a year. So, if he wants to do that, then I think it would be a welcome gesture.

But it does not stop there. The minister knows that he has put in the budget $130 million on top of the $292 million for a phantom regional processing centre, which in estimates the government could not say where it was, how big it was, who would go there or where they would come from. They said: 'We thought we could put $130 million in there and just slip it in and not mention it to anyone.' I am quite happy to say to the minister opposite that I can get Nauru up and running for a lot less than that. The minister has, I think, 7,700 people working for him in the department of immigration. If he were happy to make them available to me, I would be happy to work through these matters. But I can tell him this: I have been there; the minister has not. I know that it is going to cost a fraction, because the minister knows that when we set up Nauru it cost $10 million. Senator Cook—your own Labor senator in your own inquiry—found that the capital cost of establishing Nauru was $10 million. So 10 million bucks—it may be a little more than that now, but it is not $292 million. That is the cost of your disgraceful Malaysian people swap, your five-for-one deal, which sends people over there into the never, never.

The other point is that the government has said that it is not part of a regional solution. This is the great fig leaf that it tries to put over its feign measures in this area. The region has an Australia problem when it comes to asylum seekers. It does not have a regional problem; it has an Australia problem. If the minister were honest he would tell us what the Indonesians and the Malaysians have said about that on the record. They have called these regional processing centres that the minister likes to champion but can never get established anywhere 'an asylum magnet'. We know that they are actually proposing an offshore processing centre in Papua New Guinea, which is not a regional processing centre. They think it is a good idea to set up a processing centre in Papua New Guinea. Senator Cash in estimates recently asked the departmental secretary in relation to PNG: 'Are we talking about a regional processing centre or just a processing centre?' The secretary said, 'We are talking about a processing centre.' So what we have from the minister is a proposal from the government to establish an offshore processing centre in Papua New Guinea that will actually be staffed by Australians. This is by the secretary's own confession. I am puzzled to understand the difference between what the minister is now proposing in Papua New Guinea and what is on offer in Nauru. I suppose the only difference between what is on offer in Papua New Guinea and what is on offer in Nauru is that Nauru can actually happen and it can actually start. They actually want to talk to you, they actually want to get on with it and they actually want to look after people. They are actually prepared to do it because they are a generous
people who are prepared to just do it. They understand the great support that Australians have given Nauru over the years from both sides of this House. I have just visited a school in Nauru which was built for $11 million. You would not get that much under the BER in Australia, I can assure you, but they built a good school in Nauru for $11 million. That proposal, I think, shows the goodwill on all sides of the House towards the Nauruan people when it comes to such projects—and the Nauruan people are happy to help. This is a humane proposal in Nauru because I would know, if I were the minister, where they are every hour of every day. After six weeks this minister is going to tag people, put them into the community and will never see them again. Unless he can guarantee how long they are going to be there and the conditions they are under then he cannot go ahead with this diabolical proposal. (Time expired)

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (16:07): While I welcome this MPI because it gives another opportunity to compare and contrast the proposals from the opposition and the government, I must say it is disappointing to hear more of the same from the honourable gentleman opposite. He had an opportunity, after his trip to Nauru on the weekend, to lay out some more developed thinking about the opposition's approach, to answer some of the questions and criticisms that this side has put to him, but we have heard nothing. Never before have so few travelled so far to say so little as the Leader of the Opposition and the member for Cook on the weekend, going to Nauru. Never before have they gone so far to achieve so few sound bites. This MPI from the honourable member opposite goes through three criteria: proven, more cost-effective, more humane—I am more than happy to go through each one.

We heard a bit from the shadow minister just then about the first element. He claimed that their proposals were more proven than this government's proposals. He can put it however he likes, but I would like him to outline where people sent to Nauru under his proposal would be resettled if they were regarded as genuine refugees. The member for Cook can get up at the dispatch box today and say they will be resettled in Australia and New Zealand like 95 per cent of those regarded as genuine refugees were resettled before. Where are they going to be resettled? Maybe they are going to be resettled in Europe, maybe in Asia, but you could outline it. Are you going to get the UNHCR to assist you in resettling people from Nauru?

The honourable member has had the opportunity, over 15 minutes, to explain why this Nauru solution is different to the last Nauru solution. Where would they be resettled? The honourable member for Cook knows that they would be resettled in Australia. He knows—and he loves me using this statement—that that does not break the people smugglers' business model. If people smugglers are able to go to Indonesia, Malaysia, Pakistan, Afghanistan, Iran and Iraq and say: 'Look, you come to Australia and you will be transferred to Nauru. You'll have to wait there awhile You might have to wait 12 months, you might have to wait two years or, as happened before under the previous government, you might have to wait five years, but you are going to get resettled in Australia.

'I still have a product to sell you,' the people smugglers would be able to say, as opposed to the arrangements with Malaysia, where it is very clear in the agreements outlined between the two prime ministers that people transferred from Australia to
Malaysia will not be resettled back into Australia. That breaks the people smugglers model in a way the opposition could never have the wit to do. That breaks the people smugglers' business model in a way the Liberal Party never achieved while they were in office.

Then we have 'more cost-effective'. I know the opposition have the odd difficulty when it comes to budget costings. I know they have the odd black hole. But, based on his performance thus far, the member for Cook is no threat to the member for Goldstein or the member for North Sydney in terms of an economic portfolio because his performance on costings is about as good as theirs were. We heard the shadow minister saying: 'It only costs $10 million. That's all Nauru would cost.' He did the nice tour of the Nauru centre, which happens to be a school now, so you would have to transfer people out of the school and rebuild it elsewhere. We had page 34 of the MYEFO outline of capital costs and measures announced since the previous budget for irregular maritime arrivals of $45 million. We had operational costs of $251 million just for the Department of Immigration and Citizenship, just the one department—not taking into account the transfer costs, borne by the Navy, of moving people to Nauru and moving people back again when they were resettled; not taking into account the support and administrative costs, borne by AusAID, that were necessary to get Nauru to agree to this arrangement. The department of immigration's costs alone—one government department—were $251 million.

Then we have the final leg of the opposition's claim that somehow the Nauru solution was more humane. I do want to spend a little bit of time on this particular leg of the opposition's attack, because the Pacific solution did not break the people smugglers' business model; it broke the will and spirit of asylum seekers. That is what the Pacific solution did.

Mr Keenan: That is absolute nonsense.

Mr BOWEN: It did not break the business model; it broke the people.

Mr Keenan interjecting—

The DEPUTY SPEAKER (Hon. Peter Slipper):
Order! The honourable member for Stirling will remain silent.

Mr BOWEN: That is what the opposition did when they were in office. And the member for Stirling says that is complete nonsense, that is complete rubbish. I am happy to spend—

Mr Keenan interjecting—

The DEPUTY SPEAKER: I warn the honourable member for Stirling.

Mr BOWEN: I am happy to spend a little bit of time on this, Mr Deputy Speaker, because I do not think the member for Stirling is aware of the history. He may not be aware that one of my predecessors as minister for immigration, Senator Vanstone, instigated and commissioned a report into the psychological damage of people who were kept at Nauru to advise her as to what to do with the people who were left on Nauru. This report does not make pretty reading. I will not tolerate the shadow minister for immigration or the shadow minister for customs saying that their solution was a humane one because it is nonsense, and anybody who read this report would be disabused of that notion. For example:

The nature of symptoms shown maintains that the depression will produce an inevitable cycle of further deterioration. The most important symptoms in this regard are hopelessness, worthlessness, self-blame, cognitive impairment, withdrawal and sleep disturbance.
Instead, frustration and anger are turned inwards against themselves, and this is contributing to a risk of self-harm and suicide.

The report goes on:

While the group considers the level of risk with regard to mental health, it is clear that the current environment and circumstances are dominant contributors to their condition.' It further goes on: 'The fact that the OPC operates as an open centre makes little difference to the mental health of residents. The mental health of the residents will continue to deteriorate rapidly while they remain in the OPC. These migrants have been suffering from their mental health cases for several years already and are deemed to be highly vulnerable to do self-harm if they continue to stay in the offshore processing centre in Nauru.

It goes on:

The IOM mental health team have given them all necessary services that they would be needing, but despite the availability of the advanced psychiatric medications frequent monitoring of behaviour and safety prevention provided these patients, and even the availability of a psychiatrist for 24 hours, are not enough to treat their mental health cases.

This is their more humane solution. This is what the opposition are so proud of. Those are people who were resettled in Australia. After being told to wait on Nauru they were eventually resettled in Australia. They did not break the people smugglers' business model; they broke the people. These are people who are still under psychological care in Australia today. Let's not have these crocodile tears from the opposition about a more humane approach.

What we do have with Malaysia is an arrangement whereby people will be transferred from Australia to Malaysia with the agreement of the Malaysian government. Therefore they are people who will be treated with dignity and respect and in accord with human rights standards. That is perhaps why the United Nations High Commissioner for Refugees has seen the benefits of this arrangements. We know the opposition, including the Deputy Leader of the Opposition, have been out there trying to claim, falsely, that the Pacific solution somehow had the support and involvement of the UNHCR. It did not. The Malaysian agreement entered into by the government has been developed in consultation with the UNHCR. That is perhaps why we have seen the UNHCR spokesman say:

To us, it's a real commitment by Australia in burden-sharing with a country like Malaysia that is now coping with a large number of refugees and asylum seekers.

We think the agreement has the potential to enhance the protection for refugees in Malaysia, as well as the region as a whole.

If it realises more resettlement opportunities for refugees, this would be a positive outcome.

There are plenty of statements on the record from the United Nations High Commissioner for Refugees about the benefits of the arrangement with Malaysia, as opposed to the UNHCR's views about the previous government's approach.

We had the Deputy Leader of the Opposition say on 27 May of the former government's centre on Nauru, 'It was auspiced under the United Nations and the IOM and we were responsible for the health, the education, the recreational facilities and all the support they received.' We had Senator Birmingham say just last week it was 'overseen and approved' by the UNHCR.

Let's see what the UNHCR actually had to say about the previous government's record.

On the day the Nauru centre closed, the UNHCR said,

UNHCR had strong concerns about the 'Pacific Solution' …

… … …
… in our view, today's closure of the centre on Nauru signals the end of a difficult chapter in Australia's treatment of refugees and asylum seekers. Many bona fide refugees caught by the policy spent long periods of isolation, mental hardship and uncertainty – and prolonged separation from their families.

Just this week the UNHCR said this:

UNHCR was not involved and, indeed, distanced itself from any role in overseeing or managing the processing facilities on Nauru under the Pacific Solution. Recent media reports that the centre on Nauru was approved by and run under the auspices of the UN are factually incorrect.

That bells the cat for the claims of the opposition.

Here we have a situation where the opposition says: 'We will reintroduce Nauru. Don't worry about the fact that people arrived after Nauru and then ended up in Australia and it did not break the people smugglers' business model.' Then they say: 'Let's reintroduce temporary protection visas. Don't worry about the fact that the number of people, most particularly the number of women and children, getting on boats and coming to Australia after the introduction of temporary protection visas went up over the next two years.' Then they say, 'Let's turn back the boats.' So we have these crocodile tears about people being transferred to Malaysia. I wonder what protections the opposition would put in place for people who are turned back to Indonesia. I bet they would have none. It is okay to turn the boats back and not accept any more refugees as part of the process. It is okay to unilaterally turn a boat around on the high seas and send it back from whence it came, to Indonesia, without having a regional agreement to do so. But it is not okay apparently for this government to enter into an arrangement with another country under the Bali process in consultation with the UNHCR which ensures better protection and takes more refugees as part of the process. What hypocrisy from those opposite who say, 'We will turn around the boats,' and then come in here and cry crocodile tears about what happens to people when they are transferred to another country.

We have entered into an arrangement that means people will be treated in Malaysia in accordance with the agreement between the governments, which means that they will not be treated as illegal migrants. We know the opposition thinks this is a plan which just might work because the opposition has suggested something similar. Let us not forget that last November the shadow minister for immigration, the member for Cook, in his Lowy Institute speech suggested Australia 'trade off' … taking more refugees out of the camps in countries of first asylum' and he mentioned particularly Pakistan and Iran. He now claims that he was not talking about an agreement which would have Australia taking more refugees. He claims now that he was talking about a one-for-one swap. I wonder why he said this proposal would involve Australia taking more refugees. It does not sound like a one-for-one swap. He also says now, 'I was not talking about Australia managing it; I was talking about the UNHCR managing it. I was talking about a UNHCR arrangement.' There is not a word here about that other than to say the UNHCR would be invited as observers. He also very clearly proposes a bilateral arrangement between the Prime Minister of Australia and President Ahmadinejad, hardly a recommendation that could be seen as protecting people's human rights and ensuring that they will be treated with dignity and respect.

We have two alternative proposals before the House and before the Australian people. The opposition would send people to Nauru—presumably 1,500, which was about the capacity last time. There is no detail
about where they would be resettled if they are regarded as genuine refugees, no detail about how they would be returned to their country of origin if they are not genuine refugees given the fact that Nauru has said that they would not support involuntary returns of anybody kept in Nauru, no detail about how the damage inflicted last time as outlined in those psychologists' reports would be avoided next time, damage to families and children included, no regional framework, and no UNHCR involvement despite the misleading by those members opposite. Or we have the arrangement with Australia and Malaysia as part of the Bali process in consultation with the UNHCR, which engages Malaysia, increases our humanitarian intake and means that, even if we transfer 800 people from Australia to Malaysia, there will be 3,200 people transferred in net terms who are able to resettle in Australia—4,000 souls who are able to say that they have a better life in Australia as part of a regional agreement. That is something that this government should be proud of and is proud of.

I understand that the opposition is devastated that this just might work because it would take away their sound grabs. It would take away their opportunity for cheap point scoring. They would be an opposition in search of a new narrative.

Mr Bowen: There might be a bit of disagreement on this side of the House. We have a model which breaks the people smugglers' business model. We are actually able to say very clearly, 'If you come to Australia you will be returned to Malaysia.' The opposition says, 'You will be taken to Nauru—or maybe Iran. But if you are taken to Nauru then there is a fair chance that you will be resettled in Australia, because that is exactly what happened last time.' The member for Stirling now has the opportunity to outline the new arrangements and where people will be resettled after Nauru. If he does not, we can assume that they will be resettled in Australia just like last time. (Time expired)

The DEPUTY SPEAKER: As the chair has shown great restraint towards the honourable member for Stirling and he is still here he now has the call.

Mr Keenan (Stirling) (16:22): I do appreciate that. But when you are listening to a minister who tragically cannot provide even the remotest defence for his policy, not even one fig leaf within 15 minutes, then clearly that is pretty substantial provocation. Mr Deputy Speaker, I am sorry that I tried your patience under those circumstances.

The DEPUTY SPEAKER (Hon. Peter Slipper): I hope you are not reflecting on the chair.

Mr Keenan: The minister had an opportunity. He comes to this House and he pretends that he is concerned about the welfare of asylum seekers. Just let the record show that he will not even stay for this debate and he is returning to his office to pray for a reshuffle.

Mr Bowen interjecting—

Mr Bowen: I am happy to defend and protect the honourable member for Stirling. He is one of our greatest assets as well as being a fine gentleman.

Government members interjecting—
Mr KEENAN: What he might like to find out whilst he is there and what he might like to come and update the House on is whether he can provide for those people who go to Malaysia the guarantees that we can provide for people who would be sent to Nauru. Will those people be caned? Will they be fed? Will their children go to school? Will they get comprehensive medical care, including—since he seems to be so concerned—comprehensive mental health care? That he cannot provide answers to those questions is the reason why we have even had such harsh critics of the previous government's past policies, such as Julian Burnside and Marion Le, come out and say that, compared to the policies that we pursued, the Malaysian solution is vastly worse.

If you were to ask people how they might sum up this government I think most Australians would probably offer one word, and that would be 'incompetence'. The inability of this government to shape events or offer a coherent policy program has made the Prime Minister and her ministers standing national jokes. History is going to record this government as nothing more than a tragic footnote. Just as we use the Whitlam government as a metaphor for fiscal irresponsibility, for future generations the Gillard government will be a metaphor for complete and utter government incompetence.

We find this manifesting itself in many different ways. Sometimes the government is just too paralysed to act and it obviously does not know what to do when faced with difficult circumstances. But the worst thing is when this government gets involved in things because anything it turns its attention to becomes manifestly worse. When they respond to a problem they make it much worse. You can think of some recent examples like the banning of live cattle exports to Indonesia and the misguided ban on banking exit fees. When they gave away free insulation they managed to burn down houses and it even lead to deaths. There are the massively overpriced school halls. The list of incompetence goes on and on.

But the gold standard for this incompetence and their ability to take a problem, get involved and make it much worse still remains their border protection policy. When they came to office they were faced with a situation where we had had on average three boats arrive per calendar year in the last six years of the Howard government. On those boats there were fewer people than on the last six boats that have come to Australia since the government announced its Malaysian people-swap deal. When Labor came to power in 2007 there were just four people in detention who had illegally arrived by boat. The people-smuggling trade had been tackled, it had been stared down and it had been smashed by the Howard government—in particular, the member for Berowra.

The government changed and in stumbled the Labor Party. They had no clue, no idea and no understanding about how their decisions would work in the real world. They unwound the Pacific solution. When we used the word 'solution' it actually was a solution as opposed to some commentators who seem to be using the phrase 'the Malaysian solution' for something that has not even been finalised yet. So they unwound the Pacific solution and they liberated people smugglers to go back into business bringing people down to Australia illegally. Almost instantaneously we saw the boats start to return. That is exactly what we warned would happen when they came into the parliament with these policies to wind back the robust system of border protection that they inherited when they came to government. But, like someone who is
drowning in quicksand, they thrashed about and it got worse and worse and they continue to drown. The trickle of boats subsequently became a flood and the government went into a tailspin and pursued more and more ill-fated policy responses as their political panic increased. We saw a group of asylum seekers hijack an Australian vessel, the *Oceanic Viking*. The government, instead of staring them down, blinked and gave them a special deal to come here to Australia. That special deal, extraordinarily, involved the Australian government chartering a private jet, flying it to Indonesia, picking up people who were deemed by ASIO to be security risks and then flying them on that private jet down to Australia. These are people who still remain in detention.

Then the government moved on to the absurd processing freeze on Afghan and Sri Lankan asylum seekers, which resulted in the massive overcrowding we have seen within our detention network and the subsequent violence and riots that we have seen on Christmas Island and at Villawood. Then they moved on to the East Timor proposal, a proposal that was so ludicrous and so damaging to Australia’s regional policy that it paralysed Australian foreign policy and diplomacy as diplomats were forced to pursue this clumsy thought bubble that Julia Gillard dreamt up in the lead-up to the last election.

Next came the reopening of Manus Island but, as usual, the government got in the way of itself. The foreign minister refused to touch it, so they sent up the parliamentary secretary, which was deemed to be a grave insult to the authorities there and the Papua New Guinean government refused to move forward on this issue. Finally, they moved to the Malaysian proposal, which is without a doubt the worst proposal yet. It is a proposal that is so bad, so expensive and so inhumane that it really does beggar belief that it managed to pass cabinet scrutiny from people who, quite frankly, should know better. Whilst these policy contortions are going on, whilst they move from disastrous policy to disastrous policy, there is a ready solution sitting there for this government. If they were prepared to swallow their pride, they could take it and address this problem tomorrow.

We know that this solution works because we have used it in the past and we have used it successfully to drive the people smugglers out of business. People being smuggled illegally into Australia is not a new problem. Australia has faced it in the past and when the government has shown some resolve, when it has set a policy direction that actually works, and when it is prepared to see that policy direction through, it can legitimately break the people smugglers. That is what happened in the past and that is an option that is still open to the Labor Party if they were prepared to take it.

I want to compare the two options that are on the table: the option that we have, which is to send people to Nauru for processing, to reintroduce temporary protection visas, and to turn the boats back as appropriate, and the government’s Malaysian solution. The government’s Malaysian proposal manages to negotiate only a five-for-one people swap deal in which Australia pays all the bills, yet Labor still has not been able to pin down the final details of this policy. Apparently, we are still involved in negotiations with Malaysia. If *Hansard* could incorporate air quotes, I would have done them around ‘negotiations’. You can imagine what it must be like for the Australian delegation going to negotiate with Malaysia. They would sit there, probably sweating profusely with absolutely no leverage whatsoever, while the Malaysian delegation can just sit there, filing their nails or ordering tea, because they know the Australian government is so
desperate to conclude this deal—it has already announced it and given away any possible leverage it might have—that the Malaysians will be able to dictate whatever terms they like.

We know that Julia Gillard is so desperate for this arrangement that she is going to be forced to give the Malaysians everything they desire. What they clearly do not desire is people coming to Malaysia who have been singled out for special treatment, because once they do that then that would be an implicit criticism of their own system.

It is possible we might get a deal, but, if we do, it will be so one-sided and so embarrassing for Australia—a country that used to conduct itself with self-respect within our region under the previous government. It will contain only vague and generalised wording on the treatment of the people being sent there. There will be no guarantee of their human rights, there will be no guarantee that children will have proper protections, there will be no guarantee that people will be properly fed or that children will be educated. The truth is that anyone sent to Malaysia under this deal will be at the mercy of the Malaysian authorities.

All of this is in marked contrast to the proposal that we have to send people to Nauru, where we can guarantee the treatment that people will receive. Under any circumstances, it would be dire to send people to Malaysia who have arrived in Australia seeking our protection or who have arrived in Australia in an illegal manner. But to do so when there is a ready solution available—one that is superior—and to do so purely for political pride is unconscionable and I call on this government to reconsider.

(Time expired)

Mr MURPHY (Reid) (16:32): This is a matter of public importance and it is sad that we have to have such a divisive debate as is taking place now and as always seems to take place. I find it particularly galling when I listen to the Leader of the Opposition during question time, to the mover of the motion, the member for Cook—who I have a great deal of time for—and to the previous speaker lecturing our government about the inhumane treatment of asylum seekers, particularly given the recent history and statements of the Leader of the Opposition. He has himself vowed to tow the boats back to where they came from. That is hardly a compassionate solution, particularly as we know that many of the boats that come to Australia are barely seaworthy and have little chance of making it back to their point of origin.

I think the member for Cook referred to the 'embellished rhetoric' of the government in relation to this whole issue. I find that particularly galling given that I sat in this chamber at the time the Howard government and the member for Berowra, who was then the Minister for Immigration and Multicultural Affairs, traded on that appalling crisis with the children overboard. We saw desperate people coming to Australia being portrayed in a very dark way. The politics at that time were a sad chapter in Australia's history—imagine if we were in the same position as those people: desperate to leave behind a life of crisis and to just get their basic human needs met in another country. It was positively disgraceful. It was a really dark chapter. Sadly, the now opposition, the then government, seem to have forgotten about that. I am trying not to be too negative, but that really sticks in my throat. Yet here we are today with the Leader of the Opposition and the members for Cook and Stirling lecturing us about having an inhumane policy. Let us not forget that we are talking about people who have fled dreadful circumstances in their own country and who have witnessed things we could
never begin to imagine. How desperate and vulnerable they must be.

As you have heard, the Prime Minister and the Minister for Immigration and Citizenship today announced the important cooperative transfer agreement with Malaysia, which I believe will go a long way towards putting an end to the disturbing business of people smuggling. The government wants to stop these already vulnerable people from being preyed upon by the people smugglers. We want to stop those people from risking their lives by getting on boats to come to Australia. That is why our policy is sending a very clear message to the world that people thinking about coming to Australia will not be processed in Australian, and certainly will not be guaranteed settlement in Australia. This policy is about putting the people smugglers out of business. We do not want criminals preying on, and profiting from, vulnerable people. We are serious about putting an end to this despicable trade in human life.

That is why our government believes that these people have the right to have their claim for asylum considered compassionately. If their claims are found to be genuine, we believe the international community has an obligation to offer protection. We are certainly not shirking our responsibility as a member of the international community, and we are acknowledging that this is a global problem and a regional problem and we are not the only country to be faced with the question of what to do with irregular arrivals. Thousands upon thousands every day are pouring into Europe. In comparison, a very small number of people want to come to Australia. Importantly, we are also acknowledging that we cannot go it alone in solving this problem. In order to effect real change to solve this regional problem we need a regional agenda, and that makes sense. I appeal to the goodwill and the spirit of the opposition to try to work with the government to come up with a truly humane and compassionate policy which will send the very good message to the international community that we actually welcome people.

Mr Fletcher: You're the government. It's your responsibility.

Mr MURPHY: I hear the member interjecting but, sadly, conservatives in this country have used asylum seekers. The member for Cook talked about 'embellishing rhetoric' and the ' demonising' of asylum seekers, but those opposite have made a whole career of this, both in government and in opposition. There is no degree of sincerity about resolving this problem at all, as we have just seen over the last few days with the visit of the Leader of the Opposition to Nauru. You cannot tell the people of Australia that there was not a done deal before Mr Abbott left our shores to go to Nauru—as if he had to go to Nauru when his spokesperson, who had previously been there, would have been able to report to him everything about Nauru! But, no, he just wanted to exploit this very divisive issue in the Australian community and play the dark politics of asylum seekers. It is a very sad time for Australia when the opposition continues to behave in this manner.

We are sending a clear message that if you have a genuine claim for asylum, you are not better off paying a criminal who is attempting to profit from your misfortune and risking your life to try to make it to Australia on an unseaworthy vessel. This will only lead to asylum seekers being removed from Australia and their claims for asylum being placed at the end of the queue. The clear message is not to get on the boat. That is what we are saying with our policy.

I hear the concerns of members of the public that the proposed deal with Malaysia
might not protect those who are sent here, but I believe the minister for immigration when he guarantees that the final agreement between Australia and Malaysia will address human rights concerns. Let us be honest—our government has a much better track record on treatment of vulnerable asylum seekers. I have referred to the disgraceful children overboard episode under the Howard government and how they traded on the politics of that. I believe that the Leader of the Opposition is continuing to mislead the Australian people, and that was never more evident than in the stunt of his visit to Nauru over the weekend. I understand the Leader of the Opposition claims that the processing centre established in Nauru by the former Howard government could be quickly reopened at little cost. I note that the Leader of the Opposition and previous speakers have given no indication of the cost of reopening Nauru.

Mr Keenan: Much less than Malaysia.

Mr MURPHY: It is all very well to say it is much less. We used to hear statements made by the former Prime Minister and the former Treasurer, Mr Costello, in the Howard government that under a conservative government interest rates would always be kept lower than under Labor. We have dispelled that hypothesis big time.

This framework agreement has a number of core elements, and I put on the record that 800 irregular maritime arrivals who arrive in Australia after the date of effect of the arrangement will be transferred to Malaysia for refugee status determination; in return, over four years Australia will resettle 4,000 refugees already currently residing in Malaysia; transferees will not receive any preferential treatment over asylum seekers already in Malaysia; transferees will be provided with the opportunity to have their asylum claims considered and those in need of international protection will not be refouled; and transferees will be treated with dignity and respect and in accordance with human rights standards. What that demonstrates is that we have a far more humane policy for looking after some of the most vulnerable people in the international community. Those opposite should all hang their heads in shame for making such dreadful politics out of this. (Time expired)

Mr BRIGGS (Mayo) (16:43): I rise to support the matter of public importance raised by the member for Cook and supported by the member for Stirling. They made excellent contributions to the discussion, and I do feel very sorry for the member for Reid following what he has just had to go through. Whoever it was in the office of the Leader of the House who forced the member for Reid to go through this today is cruel and they should never do it again. For 10 minutes the member for Reid struggled with himself. It highlighted exactly what would have gone on in caucus this morning, where there is this battle between the Left and the Right, both trying to stand up for something which they know it is fundamentally impossible to stand up for—a solution where they are going to send back people to a country which has not yet signed up.

The member for Fremantle will be the next speaker in this debate, standing up to defend the solution of the Minister for Immigration and Citizenship. Is she not the next speaker? She is a former UN lawyer. She knows more about this than pretty much everyone on that side of the chamber and pretty much everyone on this side of the chamber. I thought she would be ahead of the member for Reid, because she would be such a big and strong supporter of this proposal to send asylum seekers to Malaysia, which is a signatory to UN conventions. Or are they not a signatory to UN conventions?
Maybe that is why the former UN lawyer, the member for Fremantle, is not able to speak on this—because they know that this is not a humane solution. They know there is a solution they could adopt today which would be a humane solution—the Nauru solution; a proven solution, one that has worked before and one that will not cost the Australian taxpayers $1.75 billion in a blowout of the management of this issue. We had the Leader of the Opposition in question time moving an important motion to suspend standing orders so that the Prime Minister could come and answer some very legitimate questions about this. He made the point that there is a solution which is proven because it was in operation when the former Liberal government was in power. It was a solution which stopped the boats from coming. In his response earlier, the minister talked about how 90 per cent of the people who were on Nauru were resettled in Australia. Of course, it was 90 per cent of a very diminished figure because the boats had stopped coming. They stopped coming because solutions were put in place in 2001 and 2002 which prevented the practice of people smuggling from occurring. That was the whole idea of it and that was what we did.

In 2008, after coming into government, they thought: 'This will be a great idea. What we will do is find a solution and create a problem.' Now they are desperately looking around. We are coming up to fundamental injustice day—a day that the minister at the table will remember—on 24 June when Australians went to bed with Kevin Rudd as Prime Minister and woke up with Julia Gillard as Prime Minister the next morning. One of the three great problems she was going to solve was, 'How do we stop the boats?' The first solution before the election was the East Timor solution. There were to be no more additional detention facilities on the mainland of Australia and the East Timorese people would provide a regional processing centre. We remember that and I am sure the member for Fremantle remembers as well.

Straight after the election at the beginning of October last year, my community, like the former Prime Minister, was ambushed by this Prime Minister and this minister. The Prime Minister was in my electorate the day before they announced the detention facility. She was in Aldgate, which is 18 kilometres from Woodside. It would take the Leader of the Opposition a mere five minutes on his bike to travel between them, even up the hill. But she could not possibly tell my community the truth about what their intentions were because she knew when she said the East Timor solution would occur that it was a lie, that it would never occur and that they had no agreement. Now we are hearing the same thing. We just heard the member for Reid talk about how there is an agreement between Malaysia and the Australian government. Of course, there is no agreement.

Then the member for Reid made this great claim that the Leader of the Opposition and the member for Cook travelled to Nauru even though they would have had a deal already sorted out. What was the purpose? Funny that—can you imagine going to a place where you worked out the details before you went and before you made an announcement? I know it is radical. It is very difficult for those on the other side to understand. You can go through diplomacy by announcing what you intend and putting all your cards on the table as in a game of poker, allowing the Malaysian government to sit back and play its hand knowing what it is playing against. That is what this minister has done in a weird attempt to try to spite their own budget by pre-announcing an agreement which has not been agreed to yet.
We heard again in question time today that the minister has not even visited the law enforcement facilities which these people will be sent to. We have seen reports in the Australian media about the treatment that some of these people are subjected to. We know in the Labor caucus this morning that members of the Left raised these legitimate concerns because we read it on the front page of national daily newspapers. They are right to be concerned because there is a reasonable solution which can be enacted today that would prevent these things from occurring.

I just want to go through the time line of what happened in my community after this government's announcement. Upon being re-elected to government and after she promised the Australian people prior to the last election that there would be not only no carbon tax but also no more onshore detention facilities, the Prime Minister rolled into my electorate on Sunday 17 October last year for a photo opportunity with the hardworking members of the Aldgate CFS. She had that photo opportunity and did not mention one word about a detention facility at Inverbrackie. The next day in a press conference at 1.30 pm, just prior to question time, she announced the detention facility at Inverbrackie. My community was rightly concerned and outraged at being ambushed by this Prime Minister. In fact, a community meeting held at Woodside, which is the town adjacent to Inverbrackie, had more than 400 people attend in a state of complete outrage at their treatment by this government.

The announcement was that the government would spend $10 million on this detention facility. We cannot get the actual figures from the government. After several FOIs and questions on notice, nothing has been answered. We are still being told that we have to wait for the final figure. We know it is going to be much more than that because in the budget there was a $1.75 billion blowout in the cost of these detention facilities. It is not just my community that has had this foisted upon it—there is also the community of Northam. We know that there have been extensions at Curtin, and now in Tasmania there has been an announcement that there will be another detention facility built there. It is a government that has lost control of this issue and which is desperately seeking a solution when the solution is staring it in the face. It is communities like mine that suffer.

The member for Reid and the minister talked about psychological damage. The minister quoted from a report on a Nauruan centre and no doubt there have been claims about psychological damage from people who have been in detention facilities. It must be added that there are also claims from people who are currently in detention facilities and from those who currently work in detention facilities. Three times a day there are reports of critical incidents occurring at detention facilities. These are very concerning reports.

There were also other concerning reports that came out of estimates regarding media reports of riots and so on, and of workers and children at these facilities being assaulted. These are all very concerning; however, Australia is signing up to an agreement where we send 4,000 people to a place which we know canes people and engages in that type of inhumane conduct. For those people on the other side of the chamber to defend that and to claim that that is more humane than sending them to Nauru is a complete joke. We saw the member for Reid expose that in his body language and in the way he spoke on this motion. He showed no passion for the defence. They are desperately hanging onto their old mantra about the Howard government and are reaching back 10 years, making claims about the way the
Howard government treated these people. Yet they know they are signing up to an agreement which is far worse. If it were not far worse, the member for Fremantle would be on her feet defending the arrangement. She knows the arrangement is indefensible. This is a completely indefensible arrangement that Minister Bowen is trying to sign the once compassionate Labor Party up to. They are compassionate no more. They are an emperor without clothes. In their haste to try and find a political solution to this problem, they are creating an inhumane situation that will expose Australia's international reputation. They are trying to save their own skin politically. It is a disgrace. There is a solution; it is Nauru. They should adopt it and they should do it today.

Mr RIPOLL (Oxley) (16:53): Can I start by thanking all the speakers on this matter of public importance because I know that there are many people with very strong views about people smuggling, people trafficking, refugees and asylum seekers. These issues have always been questions for debate in this House and that probably should remain so. I know the member for Reid, the member for Fremantle and many other members in this place, including the Minister for Immigration and Citizenship, feel a deep sense of compassion and a deep sense of responsibility to deal with these issues. But the chorus in this MPI is unfortunately very familiar. The familiar chorus is from the same voices across the chamber. They are saying the same things in opposition that they said in government. What underlies the chorus of voices opposite is that they always play a card—the refugee card, the race card, the anti-human rights card or the fear card. They play a particular card when it is politically suitable. That is the tragedy in this debate.

This MPI is not about finding solutions. It is not about comparing one solution with another. It is not about trying to walk through a complex problem and finding solutions. It is simply about seeking political advantage—exactly the same advantage that they sought when they were in government. If it were only advantage while in opposition, you could almost excuse it by saying: 'I understand it. I actually get the political nuance of trying to take some advantage whilst in opposition and hammer the government.' But they did exactly the same thing when they were in government—they always played the race card or the fear card. They always played some card but it was never a genuine card. The card they played was never one with a solution.

They will never accept the fact that this refugee problem is not Australia's problem; it is a global problem and a problem of immense proportions. It is not unique to Australia nor is it a new problem. If you had listened to the previous contributions, particularly from the member for Cook, you would think this problem had been created in the last three years. He kept referring to this 'three-year period', as if people trafficking, people smuggling, refugees and asylum seekers were invented by this government. If you were listening to them for the first time and you had no idea of the context of this debate, you would ask yourself: 'Why would a government do this? Why would a government create this problem?' Of course, it is far from the truth.

The reality is that it is a global problem and it is a problem within our region, and Australia should play its part in finding a solution to the problem and not hive off the problem to some place like Nauru. We know from lived experience and the facts on the ground—not what may come out of some new solution but what has already taken place—that it did not work. Not only did it
not stop the boats but former Prime Minister John Howard said that a large proportion of those people would never set one foot on Australian soil. It was a complete farce and, I suspect, possibly even a complete lie. At the time, it was always going to be the case that they would end up in Australia. When they were determined to be genuine asylum seekers or refugees, they would end in Australia, as they should. But we went through this farcical process of shipping them off elsewhere only to have them come back through a turnstile. When you hear the other side talk about stopping the boats, they are not actually stopping anything; they are putting in a turnstile. Stop the boats, turn them around, take them through another port and bring them back another way.

With the cycle of boats coming in and going out, let us not forget that circumstances and events across the world have an enormous impact on what happens in terms of people trafficking, people genuinely seeking asylum and refugees needing protection. We ought to play our role in that, and that is what we are doing with our plan. But we have to recognise one key part—that we should be part of the solution not part of the problem. We should make sure that we send a clear message about breaking the back of the people-trafficking business model. We need to find solutions to make sure that people do not take advantage of us as a generous country or take advantage of people seeking asylum who are genuinely deserving of our help. They should not be exploited. We should play our part in the global problem and find a long-term regional solution. We cannot do that on our own—and that has to be the starting point. We cannot sign things away and shove people off for a period—whether it is one year, two years or five years—only to have them come back through a turnstile. That is exactly what took place with the Nauru solution—which was anything but a solution.

Under our negotiated agreement, we will be looking long term at how we start dealing in a regional context with people who seek asylum and how we ought to treat them. Let us also not pretend that it is only limited to these people. Let us not pretend, as I believe the opposition are doing, that we are only talking about the numbers on the table. It is a much bigger problem. If you start talking about children in detention and making decisions about those we accept and those we do not accept then you have to look at a more holistic plan—an approach that says we treat people equally and fairly and an approach that has a process. It ought to be that we make rules, we set terms and we set limits, and that we work to an orderly process and we play our part. Part of the Malaysian solution is doing that: making sure that we increase the number of people we accept, that we put more funding towards that, that we do it in a proper and humane way and that we look at agreements with countries in our region to be part of an overall solution.

It is pretty hard for members in this place to be lecturing about Malaysia or other countries. None of us in this place agrees with the inhumane treatment, including caning, of anybody. That is why we have made sure in our negotiations for an agreement that the people who go over there are not illegal, unauthorised or in any other way part of any other system. They will be completely legal and completely accepted as part of a genuine exchange. I am sure, although it may distress some members on the other side, that some of those opposite wish that caning were to take place, because it would make them feel good about being right and about somebody else's plan failing. We on this side do not wish for that. I am saying that we ought to negotiate that plan,
work with Malaysia and be part of a more regional and global solution. That is a pretty hard task, but we ought to accept, once and for all, that this is a long-term problem and one for which we ought to provide a long-term solution. We should not just duck-shove people off when there is a political incentive but do something more for the longer term. Yes, that will cost money; yes, that will take time, and, yes, we have to do it right. We hear from those opposite the repeated chorus, 'Stop the boats, stop this, stop everything.' They never take into account the fact that when the boats stop the planes arrive and that when the planes are not arriving the boats are coming back. They do not take into account the fact that when there is turmoil in regions in this part of the world an increased number of people seek refuge. We see that every day on our television screens. We ought to be a little bit more realistic about those things and about how we play our part.

We have said that we want to provide a proper system that is supported publicly by the UNHCR. We want to make sure that the proposed arrangements are a step forward and that there is better protection for refugees in our region. If we do not do that, people smugglers will continue to bring people across, whether it be by boat or by plane. There is always risk, but particularly for people who come by boat. There is no greater reason for us to do this than to prevent people getting on those boats holus bolus. No one should get on those boats. The message ought to be clear that we will not be part of people trafficking and smuggling in our region. We will do what is necessary to break that business model. We know that the negotiated solution we have on the table is the way forward and is the right thing to do. We will make sure that asylum seekers are treated with dignity and respect and that they are treated in accordance with the human rights standards that apply to them. That clearly means they will not be caned, or treated otherwise inhumanely, while in Malaysia. Any asylum seeker who is transferred to Malaysia will be processed by the UNHCR and will not be an illegal immigrant. That is an important point. We are putting a solution on the table. We want to be part of a long-term solution. The opposition should support that rather than have its usual chorus of voices.  

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

COMMITTEES
Treaties Committee
Report

Mr KELVIN THOMSON (Wills) (17:03): On behalf of the Joint Standing Committee on Treaties, I present the committee's report No. 117 entitled Treaties tabled on 9 and 10 February, and 1 March 2011.

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

Mr KELVIN THOMSON: by leave—I present today report No. 117 of the Joint Standing Committee on Treaties, which addresses treaties tabled in parliament on 9 and 10 February, and 1 March 2011. This report considers three significant bilateral agreements and two instruments amending treaties to which Australia is already party.

Of particular interest to Australia's Slovak community will be the new social security agreement to provide pension portability between our two nations. The agreement with the Slovak Republic follows a model successfully implemented with some 24 other countries. Such agreements aim to increase retirement incomes for migrants who have spent part of their working lives in
either country and deliver greater choice of residency for all benefit recipients.

Under this agreement, over half of the Slovak Republic age pensioners in Australia will qualify for entitlements accrued in their homeland for the first time. Australia, in turn, will have a net social security benefit, as pensions paid here will be offset against Slovak provided funds. The agreement also provides that superannuation and pension requirements are due in only one nation at a time. This cuts costs for employers and opens employment and business opportunities in both nations.

Another treaty in this report represents, in my opinion, a significant step forward for law enforcement and cooperation in our region. The prisoner transfer treaty between Australia and the People's Republic of China provides a framework of rights and protections for Australian and Chinese nationals seeking to transfer from correctional institutions in the other nation. Given past human rights concerns, it is important to note that no prisoner will be compelled to transfer. The treaty requires that all parties involved consent to the transfer and that prisoners are fully informed in writing of all the legal implications.

A mandatory requirement under transfer agreements is that the receiving party enforces the full term of the original sentence. Department representatives advised, however, that there is flexibility. The served term may be adjusted through the use of non-parole periods, for example.

The committee understands that this treaty with the People's Republic of China has been a long-term priority for government; yet it is two years since China formally advised that it had domestic arrangements in place for its ratification. The committee urges ratification and implementation of this treaty to avoid any further hardship for Australians held in China and their families.

The other bilateral agreement dealt with in this report introduces new co-production opportunities for film, television and digital media in Australia and South Africa. Agreements like these should be of great interest to Australians, given the potential for rich cultural exchange and boosted production activity between two vital media industries.

Finally, I draw the attention of the House to the proposed amendments to the Treaty of Amity and Cooperation in South East Asia and to the Singapore-Australia Free Trade Agreement. The Treaty of Amity is an important vehicle for Australia's engagement with ASEAN. The Third Protocol amending the treaty opens accession to regional organisations like the European Union. The committee welcomes this forward-looking gesture, which demonstrates ASEAN's willingness to engage beyond the region.

The amendments to the Singapore-Australia Free Trade Agreement were minor in nature, but the committee notes in consideration that even minor changes can have major implications. Amendments to annotations, for example, dealt with telecommunication regulation in an increasingly competitive international market.

To conclude, the treaty actions in report 117 are not controversial, but neither are they inconsequential to Australia's national interests. They all have the committee's support.

I commend the report to the House.

Social Policy and Legal Affairs Committee
Report

Mr PERRETT (Moreton) (17:08): On behalf of the Standing Committee on Social
Policy and Legal Affairs, I present the committee's report entitled Advisory report: Family Assistance and Other Legislation Amendment Bill 2011, incorporating a dissenting report.

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

Mr PERRETT: by leave—On Thursday, 2 June 2011 the Selection Committee determined that the Family Assistance and Other Legislation Amendment Bill 2011 be referred to the Standing Committee on Social Policy and Legal Affairs for inquiry and report. As you know, 2 June was not that long ago, so the committee did not have a lot of time. Obviously, being a humble servant of the parliament, the committee made our best endeavours to have a look at the information. The Family Assistance and Other Legislation Amendment Bill is an omnibus bill with five schedules. With the help of the committee, we were able to have a close look at some of the requirements which the legislation will bring in. While most of those endeavours are reasonably straightforward—the age of child for family tax benefit, indexation, assessing qualification for disability support pension, extending the Cape York welfare reform trial and the Public Works Act exemption—they certainly will benefit the Australian community, particularly extending the Cape York welfare reform trial. Unfortunately, in that short time we did not have a chance to go to Cape York, partly because I was on Christmas Island for part of the time and the committee did not have much of a chance to engage with this particular topic. We did discuss this in detail and unfortunately, while we could not come up with an agreement as a committee, the process will hopefully result in the appropriate scrutiny being given to the Family Assistance and Other Legislation Amendment Bill 2011.

I commend the report to the House.

Mrs MOYLAN (Pearce) (17:10): by leave—The Family Assistance and Other Legislation Amendment Bill 2011, the subject of the report which has just been tabled, was referred for scrutiny to the Social Policy and Legal Affairs Committee towards the end of the last sitting week. As there was insufficient time to arrange a meeting before parliament rose on Thursday, 2 June 2011, the committee had a teleconference on Friday, 3 June—I think that teleconference went for all of about 10 minutes—to discuss the referral. The bill was also referred to a Senate committee.

Matters dealt with in this bill include family assistance measures, assessing qualification for disability support pension, extending the Cape York welfare reform trial and a Public Works Act exemption. These are serious matters. The committee system is a very important system in scrutinising bills that come to this place but in this case it has been done in unseemly haste. Frankly, with all due respect to my good colleague, whom I work cooperatively with on this committee, asking for a rubber stamping of these measures makes a complete mockery of the operation of this parliament. It really was a rubber stamping. There was very little consideration—there simply was not time. The public cannot be expected to have any confidence in parliamentary processes that treat serious and far-reaching legislation in such a cavalier and ill-considered manner.

While these are budget related bills and the opposition does not propose to prevent this legislation proceeding, there are a number of serious issues to be raised in relation to the bill which, in my view, should have been fully canvassed by the committee. Yet in a practical sense no time has been allowed for the committee to conduct a proper examination of the matters which are
the subject of the bill, including time to seek submissions from those who will be affected by these provisions.

Coalition members have submitted a dissenting report and they are particularly concerned about the impact that this legislation will have on Australian families, on disability support pensioners and the proper operation of the Public Works Committee and the Public Works Act 1969. The bill seeks to freeze indexation of the family tax benefit parts A and B supplements for three years, which will see a quarter of a million Australian families worse off. Even families struggling to make ends meet on incomes of $45,000 will be hit by these changes.

Cutting $2 billion from family benefits will place more pressure on the 2.1 million families who will lose some income support. While the government has attempted to claim that these measures will only affect the 'rich', families on average wages will lose through the freezing of the threshold at which families will start losing base rate Family Tax Benefit Part A.

Families are already under considerable financial pressure. Since December 2007, electricity prices have increased by an average of 51 per cent across Australia, the overall cost of food has increased by 13 per cent and education costs such as school fees have increased by an average of 24 per cent across Australia. Family Tax Benefit Part A and Family Tax Benefit Part B, the baby bonus and Paid Parental Leave are important measures designed to support families. These measures should not be used to generate savings to sort out the government's financial waste and mismanagement. As we have recently learned, the government was working on this policy proposal right up until one minute prior to the caretaker period before the election and it should have been open with the Australian people that it was intending to introduce this freeze on the indexation of family benefits. Coalition members call on the government to acknowledge and attend to the serious impact that these policies will have on Australian families who will have their assistance payments eroded or cancelled under this legislation. Other concerns are in relation to assessing the qualifications for the disability support pension because the government will require people on a disability support pension to provide evidence that they have tested their future work capacity by participating in training or work related activities in order to qualify for the DSP. These requirements will take effect from 3 September 2011, which is not far away. The government stated that the programs of support include Department of Education, Employment and Workplace Relations funded employment services, disability management services and some Job Services Australia services.

Another element is the provision of incentives to encourage employers to employ people with disability. There has been no assurance by the government regarding the adequacy of services to assist people with training and employment placement. There is no assurance from the government that issues such as transport to work in rural and more remote locations have been adequately addressed or that parents of children with a disability, particularly single parents, have access to affordable, quality childcare facilities so that they can actually participate in training programs and be placed in work. As for the incentives to prospective employers, there is plenty of evidence to suggest that the take-up rate by business for assistance under previous programs has been absolutely abysmal in getting them to employ people with a disability.
Little has been done to remove the considerable barriers to employment faced by people with a disability and, while the government spends millions on incentive programs to encourage the private sector to employ people with a disability, the government—one of the biggest employer groups in the country—oversees a public service whose record in employing people with a disability has seriously declined. A motion on these matters, which I proposed in this place in March and which was seconded by the member for Gilmore, was debated, voted on and carried unanimously, but I have yet to see any tangible evidence of action by the government to redress this deplorable situation.

I also want to comment on the Public Works Act exemption. The coalition agrees with the government's intent to remove the requirement for the Public Works Committee to supervise some construction activities on Land Trust land that results from individuals or groups expending grant funds for specific projects. However, the amendment goes significantly further in that it excludes all Commonwealth funded projects on Aboriginal Land Trust land from the scrutiny of the Public Works Committee Act 1969. Surely the expenditure of large sums of taxpayers' money would demand some form of scrutiny over any Commonwealth funded development on land held through the Aboriginal Land Trust, just as it does for any other Commonwealth funded project whether on government owned land or not. The question has to be asked: isn't the properly constituted Joint Parliamentary Standing Committee on Public Works the appropriate body to investigate whether the Commonwealth is getting value for money and whether the planned development meets the purpose and use for which it is purported to provide? The Public Works Committee ensures transparency in government projects, ensures Commonwealth projects meet appropriate standards and ensures value for money for taxpayers. Exempting projects on Land Trust lands in mainly remote regions removes a significant safeguard. Coalition members do not support this amendment and suggest that the government takes a closer look at the operation of this amendment before it passes through this House.

The unseemly manner in which this bill has been referred to the House of Representatives Standing Committee on Social Policy and Legal Affairs makes a mockery of the processes of this House and should be deeply concerning to every member who takes a seat in this place. I am pleased to see that the member for Moreton, the chair of the committee, has made some general comments in the report along the lines that we discussed in this morning's committee meeting. I welcome that and hope it will lead to this House considering an improved way in which these bills can be referred to committees and make sure that committees are actually able to do the job that they were intended to do.

Finally, I take the opportunity to thank coalition members on the committee, the member for Murray and the member for Bonner, for their assistance in submitting a dissenting report.

**BILLS**

**Taxation of Alternative Fuels Legislation Amendment Bill 2011**

Second Reading

The DEPUTY SPEAKER (Hon. BC Scott): Before the debate is resumed on the Taxation of Alternative Fuels Legislation Amendment Bill 2011, I remind the House that, pursuant to the resolution agreed to by the House on 2 June 2011, this order of the day will be debated concurrently with the Excise Tariff Amendment (Taxation of

Debate resumed on the motion:

That this bill be now read a second time.

Mr CRAIG THOMSON (Dobell) (17:20): During the last time I spoke on this bill I was highlighting to the House the complete hypocrisy from those on the other side in relation to their approach to these bills. On the last occasion that I was making a contribution, we went through the policy position that the former government adopted in relation to these bills. It was a policy position that this government adopts in relation to these bills. It was a policy position that this government adopts in relation to these bills. It was a policy position that was supported by a former Prime Minister, the then member for Bennelong, Mr Howard, a former Deputy Prime Minister, Mr Anderson, and a former Treasurer, Mr Costello. All of them put on record their support for this excise—in relation to LPG and LNG—in exactly the same manner as this government has done in the legislation we are debating today.

So, for the opposition to come in here and criticise and say that this is something they are opposed to shows where the opposition stand in relation to this parliament. The opposition oppose everything just for the sake of opposing. It does not matter what the merits are, it does not even matter if it is their own position; they will oppose for the sake of opposing. There are no arguments that they can put about the history of this legislation. There are no arguments about where the policy came from. They started this policy. It was their position. They knew the time line in relation to this. Yet, because the Leader of the Opposition is incapable of any positive contribution in relation to legislation, what are they locked into? A position of opposing their own policy on these bills.

They may also say: 'LPG in cars produces less carbon and therefore there should be a discount for it.' It is reasonable to put the proposition that maybe the excise should be in proportion to the reduction in carbon emissions. If you use LPG, a car emits 13 per cent less emissions. The discount that is in these bills is 50 per cent. So people are getting a 50 per cent discount for a 13 per cent reduction in emissions. No-one can argue that that is not generous.

After my last contribution, the Deputy Chair of the House of Representatives Standing Committee on Economics, the member for Moncrieff, asked Treasury an important question about the price of LPG in Australia compared to other countries around the world and about what effect this excise will have on that price and that ranking. That information has come back, and I am happy to report it. There will be a slight decline in Australia’s ranking in price compared to other countries. We will move down one place, to be behind Canada. We will almost have the same price, but we will go just behind Canada. We will still be cheaper than the United States, the United Kingdom, Spain, Portugal, New Zealand, the Netherlands, Italy, Hungary, Germany, Czechoslovakia and Belgium. Our LPG, even after the excise, is going to be cheaper in Australia than it is in all of those other countries, with the exception of Canada. That is where we have moved back.

I note from the speaking list that we will not have the member for Higgins or the member for Bennelong making a contribution. You can understand why. You can imagine the phone call that has gone to the office of the current member for Higgins from the former member from Higgins: 'What are you doing? This is our policy. We
need policy. We need to be supporting it.’ You can just imagine the phone call and the embarrassment that there would be if she actually had to come into this chamber and oppose the legislation that the former holder of her seat put forward.

This is good legislation. This is about Australia's energy security in the future. This is about making sure that we have the right regimes in place for these forms of fuel. This is good policy, policy that was supported by the former government, policy that is supported by this government. It is only opposed by those opposite because that is all they can do: oppose. I commend the bills to the House.

Mr BUCHHOLZ (Wright) (17:25): The four bills contained in this package are the Taxation of Alternative Fuels Legislation Amendment Bill 2011, the Excise Tariff Amendment (Taxation of Alternative Fuels) Bill 2011, the Customs Tariff Amendment (Taxation of Alternative Fuels) Bill 2011 and the Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011. I just sat and listened to the previous speaker, the member for Dobell, who commented that he was involved in the committee inquiry into the bills. He took aim at the member for Higgins and asked how we could not support this legislation. I want to defend the member for Higgins and rebut the previous speaker.

Recently in Sydney the House of Representatives Standing Committee on Economics received evidence from LPG Australia, and other groups whose businesses are going to be affected by this increase in tariff, this increase in tax. We received evidence from NRMA, who represent millions and millions of motorists; from Dalby Bio-Refinery and the United Petroleum group; from BOC, the wholesalers of gas; from the Australian Taxi Industry Association; and from a number of others. It saddens me that the previous speaker, the chair of the economics committee, could not even be bothered to show up to listen to that evidence. These are businesses and peak bodies that are going to feel the real effect of the increase in this tax.

These bills are about bringing into the fuel taxation regime certain alternative fuels used for transport purposes and making them subject to excise duty or excise-equivalent customs duty. The fuels affected are liquefied petroleum gas, the LPG which we stick in the car; liquefied natural gas, LNG; and compressed natural gas, CNG. Those gases currently have a tax-free threshold. This legislation would increase the taxes on them to a rate in line with an excise, which I will get to later on in my speech. It wants to put up the taxes and then discount them 50 per cent to reflect the potential benefits of these alternative fuels. Mr Deputy Speaker, I need to counsel you that, when you hear that there is going to be a reduction of 50 per cent, that is just a play on words. The reality is that this is a money grab.

I want to comment on some of the realities of where this legislation arose from. The previous speaker was correct: it derived from our policy. It was our intent to bring this legislation forward. But it was intended to be brought forward in an environment of economic prosperity and stability. You must remember that when we left government we left the Treasury coffers with no less than $44 billion in them. It is when you have that prosperity and that economic superiority that you can make decisions like that for the future. There was a period of an eight-year lead-in. What needed to happen during that lead-in was for an energy policy framework that matched the future usage of alternative fuels to be mapped out so that this piece of legislation could fold over the top of it. But in the last four years we have seen nothing of a framework being put in place from the Labor government, and without a framework
this legislation is nothing. Who is going to benefit from this legislation? We had six Treasury officials attend our committee hearing. I asked them what impact this would have at the bowser on those people who had gone out and done the conversion to LPG—and they just looked at each other. With all the resources available to the Australian Treasury, you would have thought that when they came before the Standing Committee on Economics they would have calculated the impact of this legislation on mum and dad motorists. They had calculated a lot of other things but when I asked the question, 'What impact would it have on the bowser price, all things being equal?' it had to be taken on notice. As quick as a flash I did some sums and calculated that we were going to see around a 20 per cent increase at the bowser for LPG. That is a 20 per cent increase for mums and dads.

The previous speaker dared to label the opposition as 'hypocritical'. A 20 per cent increase at the bowser is a direct impost on mums and dads, yet the government claims to represent them, the working families. The people who can afford it the least are the ones who are going to be hit, notwithstanding the 70,000 taxis that shuttle those people who may not be fortunate enough to have their own form of transport or the impost that this legislation is going to have on public transport services, our bus networks, particularly in Queensland, that run on CNG. This government has skewed this legislation towards a money grab. And the money grab in this legislation comes, from memory, in at around $518 million, yet the government stands up in here and says that we are hypocrites. This legislation is nothing short of a money grab.

This legislation can also be juxtaposed with the carbon tax, because it has potentially negative implications and impacts on the environment. What it speaks to is that, as the price of cleaner, greener energies becomes more expensive, they become taxed out of existence. With the 50 per cent tax excise that these guys are looking to put on, I can assure you that the tax will not stay at 50 per cent in their forward estimates. It will continue to go up until this product is taxed out of the marketplace. When you start looking at the basic premise of the argument of why we should have a carbon tax and trading permits, the procedure creates a disadvantage for mums, dads and pensioners who use energy. Under this system we are expected to believe that it is the messiah, that it will bring home the bacon for the government. I can assure you, Mr Deputy Speaker, it will do none of that. It is a completely juxtaposed position. It will actually force people who have made the conversion to LPG to turn to fossil fuels in order to keep their heads above water.

We also heard the argument earlier about jobs. I can cite two gas conversion companies on the eastern seaboard of this country that have shut their businesses because they can no longer remain viable. I would challenge anyone from the Labor government to explain to me and to those people who have lost their jobs in this industry where these green jobs that you are promising are. Where are these green jobs to which you are telling me that I can direct the people who have left the gas conversion industry? Where are these green jobs? I do not want you to round the number up to 50 or anything; just give me one. Give me one green job that I can show to those people who have lost their jobs because of poor legislation so that I can send them to that job. And I would be glad to go and say g'day to those guys. You say that we scaremonger. The fear that has been driven by this carbon debate is based on the premise that you have not put a price on carbon. You are fostering—and enjoying—scaring the
Australian public by not putting a price on carbon and having us suppose what that price will be. I have done some quick calculations. You say that you are going to rebate pensioners with 500 bucks, but the carbon price should be around $4.50. I tell you, if it comes in at any higher than that, if you guys have your way, you will be nothing short of a laughing-stock.

No-one in the carbon debate has been able to tell us how much tax is going to be required to change the temperature of the planet. This is all about the environment. The whole premise of the carbon tax is about changing the temperature of the planet but no-one has been able to identify that price in their speech. You go after the opposition on the fact that we always oppose everything. I will tell you what we opposed: we opposed the installation program because it was simply bad policy. We opposed it because it was bad. We opposed the BER overspends because they were shocking. When you put up bad policy, expect a clip around the ear. We opposed Fuelwatch, which was an absolute waste of money. We opposed your GroceryWatch, which was also just a waste of money. We oppose the way that you are managing Australia's borders and security and the asylum seekers. So do not sit there and say that we say no, no, no, no all the time and that we are going to say no to this. We say no because it is bad policy. If you want us to stop saying no, start changing the quality of the policy that you are putting up. You have not had a decent thought of your own in 60 years. All of this is just regurgitated waffle from other countries. I will take you quickly now to some of the comments that we had from industry leaders with reference to a comment from BOC gas. The bills in their current form will disadvantage a cleaner and greener LNG as an emerging transport fuel when compared with diesel and other alternative fuels. That in itself shows the harm that we are looking down the barrel at. There are going to be the job losses that I spoke of earlier on. These bills in their entirety will do very little to speak to the actual intent. Our intent when we put them together with the absence of that framework was to encompass other alternatives like electric cars and hybrid cars and other alternative fuels which are not encompassed in this bill. This is nothing short of a money grab. Only a coalition government in power will bring control back to the Australian Treasury, back to the Australian coffers, by curtailing the government's horrible wasteful spending.

It will bring control back to an ever-increasing, escalating taxation regime and we, as a coalition, believe in smaller government. We believe in less taxes and we believe in the right for businesses and for pensioners and mums and dads to be able to go about their day-to-day business in an environment that does not have debt up to the back teeth. With that I, I am frustrated.

Mr STEPHEN JONES (Throsby) (17:39): I am pleased to stand and relieve the member for Wright, whose company I enjoy but whose policy advice I rarely follow, from his frustration. I have within my grasp a statement from the then Treasurer in 2003. It is under the heading, 'Fuel tax reform for the future'. I would like to quote from this statement from the Treasurer:

An efficient and competitive energy sector is a key priority for the Government's strategic policy agenda. With advances in technology producing cleaner vehicle engines and with the continued emergence of alternative fuels, it is clear that Australia must have a more consistent and sustainable fuel tax regime. The existing arrangements have created taxation distortions in the fuel market leading to inefficient investments in fuel production and equipment and uncertainty for users of fuels.
As the member for Herbert, who has a keener eye and ear for political history than he does for economic policy, has correctly identified, this was a statement issued by the then Treasurer on 13 May 2003. I am not one who says that the touchstone of all good economic management was the Treasurer of the former Howard government. However, I am willing to say that with his statement he was absolutely right. He was absolutely right and this House should support the four bills that form part of this package—the Taxation of Alternative Fuels Legislation Amendment Bill 2011 and cognate bills—not because the then Treasurer in 2003 set a clear pathway for reform of taxation in this area but for four reasons.

The reason first is that it provides equity between fuels and a rational and reasonable basis on which we provide taxation arrangements for transport fuels. That is a tax based on the energy content of those fuels. The second reason is that it provides some certainty in an industry which is in much need of certainty. The member for Wright, in his contribution to this debate, talked about the evidence that was received by the parliamentary committee which inquired into these bills. I too as a member of this committee listened to the evidence of many from the industry who said they were crying out for certainty and this bill and the legislation and the amendments to the legislation would provide certainty which would enable long-term investments to be made into the biofuels industry.

The third reason—and we do not shrink from this—why we should support this bill is that it provides revenue. We on this side of the House know that these fuel excise arrangements are a proxy for road user taxes. It is a road user charge and it enables the Commonwealth government to invest much needed funds into our national highways.

I would have thought members of the National Party, and those who used to represent the National Party in this place, would stand foursquare with those of us on this side of the House who say that we should be providing as much revenue as we possibly can and gathering as much revenue as we can to invest in our national highway system. It is good for the economy; it is good for the social fabric of regional and rural Australia. The revenue source, which is provided somewhere in the vicinity of $500 million over the forward estimates, is an important contribution to the revenue for rebuilding our roads.

The fourth reason goes to the issue raised by the member for Wright, who asked us to identify one job that was going to be created or saved by this legislation. There are thousands of jobs that are going to be saved by this legislation because what the member for Wright has omitted to mention in his passionate contribution is that, unless this legislation is passed, the subsidies that are currently provided to the biofuel industries will drop dead on 1 July.

As the representatives from Smorgon testified to the parliamentary committee, that will lead to the end of their business and their industry. They will close down overnight, because their industry is reliant upon the subsidies and the grants scheme, unless these bills find their way through parliament. It is not one job but several thousands of jobs which will be saved, if not created, through the passage of this legislation. The legislation is about providing some equalisation of the taxation arrangements on a rational basis for alternative fuels, including liquefied petroleum gas, liquefied natural gas and compressed natural gas. These bills also clarify the tax treatment of renewable fuels, some of which I have already mentioned: ethanol, methanol and biodiesel. Through
this legislation each of these alternative fuels will, after probably one of the longest phase-in periods in federal taxation history—that is, notice was firmly given in 2003 that this change was to occur and through the passage of the legislation a five-year phase-in period to the new taxation arrangements will be put in place—finally be brought within an equalised taxation arrangement reflecting the energy content of each of the various fuels.

However, to reflect the important role that alternative fuels will increasingly play in Australia's low-carbon future, the rate of taxation applied to these alternative fuels will be discounted by 50 per cent. This 50 per cent discount recognises the environmental benefits of these alternative fuels and provides them with a fuel tax advantage over conventional fuels without completely removing from them that component of this fuel excise which relates to a road user charge. That is to say, just because they are more environmentally efficient to produce and to use, that does not mean that when they are placed in cars and those vehicles are driving on the road it does not have a wear and tear impact on the road and therefore we need to make a contribution to the maintenance, repair and building of those roads.

With regard to ethanol, it is important to note that it is subject to the full fuel tax rate that applies to petrol and diesel. However, at present, qualifying producers are entitled to a grant under the Ethanol Production Grants program that covers the cost of this tax. It is in effect a full rebate. Legislation in this package of bills will maintain and extend this grant, which would otherwise drop dead on 1 July 2011. In their contributions to this debate I have not heard one speaker from the opposition suggest an alternative which would provide some certainty to businesses and workers in the critical ethanol industry. We can only presume that it is their policy that the industry should drop dead over night along with the Ethanol Production Grants program. This measure will ensure continuity of support for this important regional industry.

As a member of the Standing Committee on Economics, I participated in the recent inquiry, as did some other members who are currently present in the chamber. In considering this legislation, I believe it is important to understand one of the reasons why this government, or indeed any government, puts taxes on fuel—that is, fuel taxes, on either conventional or alternative fuels, are a proxy for road user charges. Every time we drive on any road, we have contributed to the wear and tear on that road and therefore we need to make a contribution to the maintenance of roads. This is a simple user-pays principle. Every time fuel is put into a vehicle, some of what you pay goes towards the cost of the roads we then drive on. People who do not own vehicles or who do not drive their cars on the road do not make this contribution towards road building and maintenance in the same way. It may be paid instead as a part of a bus fare or indeed a taxi fare, but it is not paid through the bowser. The more you drive on our roads, the more fuel you purchase, the more fuel tax you pay and the more you contribute to the cost of those roads. This is an equitable principle.

We all know that the costs of repairing existing roads and constructing new roads are enormous. It is therefore untenable that LPG remains untaxed and that those driving vehicles powered with LPG do not make any contribution towards the cost of the roads that they use each and every day. The taxation of LPG in this legislation represents the largest part of the increase in the revenue the government will receive.
powered with LPG represent some of our heaviest road users. It is important to maintain the integrity of our fuel tax system, to ensure that it is sustainable for the long term and to ensure that it represents good economic policy.

It is also important that when we put so much emphasis on investing in our infrastructure—and roads are an important part of that infrastructure—we do this in a way that enables us to balance the budget. We have heard many contributions to debates in this place about the importance of spending on regional infrastructure. In fact, if you listened to speaker after speaker in debates on this legislation, you would have heard them making passionate pleas about the need for improved spending on road infrastructure in their electorates. Here is just a small sample from the speeches in reply to the Treasurer's budget speech: the member for Wide Bay made a passionate plea on behalf of his electorate for the Ipswich Motorway and Bruce Highway from Cooroy to Curra to be upgraded at a cost of $325 million; the member for Hasluck called for the upgrading, uncosted I might add, of the Perth to Darwin Highway and the Roe Highway and Berkshire Road interchange at a cost of $11 million; closer to my own electorate, the member for Gilmore called for an upgrade to the Princes Highway from Nerriga to Tarago, and the upgrade of Picton Road. All of these are worthy projects, but if we are to have the revenue on a sustainable basis to fund these new roadworks together with the revenue to ensure that we are able to upgrade and maintain our existing roads then we need to ensure we are doing that in a way that enables us to balance the budget. The $500 million that will be raised through this package of legislation over the forward estimates is an important contribution which will, I hope, go some way to assisting us to meet the deficit in infrastructure spending that we inherited when we came to office.

In confused contributions to this debate from the member for Wright we heard the preposterous proposition which justifies their backflip on supporting this policy—that they supported it when it was proposed by the former Treasurer because at that point in time they had plenty of money in the budget and they had a whopping great surplus but they do not support it now because we do not have a big surplus. This beggars belief because what it says to the ordinary person in the street, if you follow that economic logic from the member for Wright through, is, ‘At a time when we are collecting too much in taxation revenue we should increase taxation revenue because we have whopping big surpluses. We should be taxing and collecting more revenue than we are able to spend.’ When you are collecting too much money in taxation revenue—

Mr Ciobo: You'll never have to deal with a surplus.

Mr Ewen Jones interjecting—

The DEPUTY SPEAKER (Mr Murphy): Order! The member for Moncrieff and the member for Herbert will cease interjecting.

Mr STEPHEN JONES: They do not like it. The member for Moncrieff and the member for Herbert do not like it because they know it is a devastating blow to their feeble backflip on this policy. But if you follow the logic of their argument it is that when you are collecting too much tax you should up the tax and when you are trying to bring the budget back into surplus you should do the opposite. It is appalling logic.

(Time expired)

Mr CIOBO (Moncrieff) (17:54): I am pleased to rise to speak on the Taxation of Alternative Fuels Legislation Amendment Bill 2011 and cognate bills debate that deals
with, among other things, the taxation of alternative fuels. In particular, the part of the debate that I will go to will be the government's decision to whack yet another great big whopping tax in terms of excise on LPG fuel.

In broader terms, as Deputy Chair of the House of Representatives Standing Committee on Economics, it has been instructive for me to have the opportunity to hear evidence from a number of witnesses about what this government's proposals actually are and what they actually mean for users of alternative fuels and for fuels more broadly across the Australian landscape. It is fascinating because this comes from a government that like to preach the green message. This comes from a government that like to claim that they are very focused on environmental issues. It comes from a government that like to claim that they are in touch with the need to look after the environment more so than, for example, they will argue, the coalition.

You have to question why this government, which claims to have those green bona fides, would go out of its way to make a more environmentally friendly fuel more expensive. The consequence of this policy before the House is that Labor will take an environmentally beneficial fuel, a fuel that is used in the taxi sector, the bus sector and the public transport sector more broadly and which produces fewer carbon emissions, and make it more expensive. The consequence will be that Australians will be forced to do two things: (1) use less public transport and (2) resort to using traditional fossil fuels like petrol and diesel. It beggars belief. In fact, you would dare say that it is a government that once again finds itself burdened with hypocrisy when it comes to its talk and its walk. We have this government once again preaching a message but doing something very different when push comes to shove.

The bills that are before the House see this government seeking to penalise those who have been early adopters of cleaner, greener fuels and Australians who are amongst the most vulnerable in our community by using these bills as this government's excuse to whack yet another great big tax on the Australian people. As I said, you would question why. Why would a government do this? What is the need to try to encourage Australians into using traditional fossil fuels over cleaner, greener fuels like LPG? The answer is obvious. It is because these bills represent for this government a windfall gain of around $500 million. That speaks volumes about the motivations of this government. That is $500 million of extra tax revenue that this government so desperately need. They need it because this is a government that is mired in debt. The Labor Party needs this because this is a government that is borrowing $135 million a day on the so-called company credit card because this government is absolutely reckless when it comes to spending taxpayers' money. It needs these bills to go through because it needs that money. That money for this government is like a drug to a druggie. Do not stand between them! Do not stand between them because they are desperate to do whatever they can to justify the ways in which they are raising additional revenue.

There were representatives of the coalition on the House of Representatives economics committee that undertook the public inquiry into this package of bills. Let us be plain and clear about what the consequences of these bills will be should they pass this House. For example, for the fleet of 18,000 taxis out there and some 66,000 drivers that carry in the vicinity of 370 million passengers these bills will represent a massive spike in their operating costs. This is a government that is
about to whack up the price of LPG by 20 per cent. This is a Labor Party that likes to talk about its concern for the working people, that likes to talk with its hand on its heart about how it understands Australians are doing it tough despite presiding over some of the biggest cost-of-living increases that we have seen. This is a government that has a carbon tax on the agenda to cause a further spike in the cost of living. This is a government that through these bills is about to put up the price of LPG by 20 per cent.

It is not just the 18,000 taxis, the 66,000 drivers and the 370 million passengers who are going to be materially affected by this government's fiscal recklessness but also there is a fleet of some 700,000 vehicles out there that is running on LPG or has been converted to LPG. People have done this because previous governments, such as the coalition government, recognised the need to match action with talk. When the coalition government was in power it recognised the very real need to ensure that government policy did something for the environment. We did that by providing a subsidy for people to transition from traditional fossil fuels to LPG.

We wanted that to happen because the transition from traditional fossil fuels to LPG did two things: firstly, it reduced the cost of living for ordinary Australians because LPG at the pump was much cheaper than the price of traditional fuels and, secondly, it was good for the environment. It was good for the environment to transition from a petrol powered vehicle to an LPG powered vehicle. That is why the former coalition government made sure that we did not just talk the talk but walked it as well by making sure that government policy was directed towards improving the lot of ordinary Australians and by making sure that the people in Western Sydney, in the outer suburbs of Melbourne and Brisbane and those in working-class areas in my electorate of Moncrieff, such as Nerang, were in a position to transition to a cheaper fuel that was also environmentally beneficial.

That is also why the former coalition government walked away from this policy. It is true, as some Labor Party members opposite have mentioned, that this was in essence part of what the coalition looked at about seven years ago. But we changed our minds. If that is a news flash for members of the Labor Party, so be it. We changed our minds because we listened to the Australian people. We recognised that there was more to be gained by encouraging people to convert to LPG, there was more to be gained by making sure government policy was producing a better environmental outcome and there was more to be gained by making sure that coalition policy provided people with a way to reduce their cost of living. That is why we changed the policy.

This government's stubborn refusal to move from its support of these bills just highlights that this is a government that will turn its back on what is environmentally responsible, this is a government that will turn its back on the most effective way to help keep the costs of living down and, instead, will embrace these bills because it needs the money.

That, in summary, is why the Australian people have stopped listening to this Labor Prime Minister and have stopped listening to this Labor Party. They know that the government cannot be trusted. When you analyse its actions, when you look at Labor members who come into this chamber and preach about caring for the environment and preach about doing what they can to make sure that people's household cost-of-living expenses do not continue to increase and then vote yes on legislation like this, you understand why the Australian people are so
deeply cynical of the Australian Labor Party. The Australian people are not listening to the Australian Labor Party. The Labor Party is losing the support of the Australian people for reasons exactly like the debate that we are having here tonight. Labor once again stands for higher taxes and, in this case, not only does it stand for higher taxes but also it stands for a less environmentally beneficial outcome than that which the coalition is proposing.

But the Labor Party is also tricky when it comes to political procedure. We know that the four bills that are currently before the House in this cognate debate could be separated. We in the coalition recognise that one of the bills is in dire need of rapid passage through both this chamber and the other place. In fact, we have indicated some support for that. We have indicated some support for splitting the bills so that bill can go through. But the Labor Party will not split the bills. The Labor Party wants to keep all four bills together and in some way attempt to shackle them so that if we do not pass one none of them gets through. So, although the coalition is comfortable with other bills in this package, because Labor is trying to foist this new $500 million increased tax onto the Australian people it says, no, all four bills must go through together.

I am very pleased to stand up for my constituents, for the working people of Australia, for those 700,000 people who have LPG powered vehicles, for the 18,000 taxi drivers out there, for the 350 million passengers who use those vehicles and for the 66,000 drivers and to say to the Labor Party, 'Change your direction; do not support this legislation.' This legislation just underscores the arrogance that the Labor Party now has when it comes to the need to raise revenue, to turn its back on the environment and to turn its back on those—many of whom are the most vulnerable—who use public transport like taxis.

This is not confined solely to taxis. There are many, many buses—fleets of buses. For example, the Brisbane City Council has a largely CNG—compressed natural gas—powered fleet. CNG powered buses use one of the cleanest fuels that is able to be used and that benefits the environment. Again, the Labor Party, through these bills, is about to whack up the price so that those bus operators—be they city councils or private operators—will have a substantially increased cost base. The Labor Party really has to be viewed with a high degree of cynicism when it is very clear that the only reason it is doing this is that it is so desperate for the money.

It does not make sense environmentally, it does not make sense in terms of the cost of living and it does not make sense of government policy over the past six years, because government policy has been to push people towards the use of fuels like LPG and CNG. So why do it? The answer, as I said, is that Labor needs the money. We know that the Labor Party has the second largest budget deficit this financial year, we know that the Labor Party is borrowing $135 million a day, we know that the Labor Party has racked up a level of debt that amounts to $107 billion and we know that the Labor Party has presided over a complete shemozzle of failed and flawed policies that have cost Australian taxpayers billions and billions of dollars. I say to the people of Western Sydney, I say to the people in working-class suburbs, next time you use a bus and the bus fare has gone up, next time you use a taxi and the taxi fare has gone up, recognise that that has happened because of the Labor Party. It has happened because this government is putting up the cost of fuel, in particular LPG and CNG, because it needs the money. When people talk to me in the street about what all
this debt and deficit actually means, I can say to them with hand on heart that it means they pay more tax. These bills do nothing except slug ordinary Australians with the extra costs of paying tax as a result of these fuel excise increases.

There was an eleventh-hour rally outside Parliament House today. The Australian Taxi Council joined with a number of people to protest against this decision. Their anger is red-hot because this government is foisting yet another tax increase on them. This is not a government that introduces policies that are good for working people; this is a government that does the exact opposite. This government's legislation is going to make things more expensive for people. There will be flippant responses from members opposite about how this will only add a dollar onto the cost of the average taxi fare. That might be well and good if you are a parliamentarian earning a parliamentarian's salary, but the reality is that there are people out there who rely on public transport, who rely on taxis, and many of them are the most vulnerable people in the community. They might get a taxi to the shops and back a couple of times a week, and they might go somewhere else in a taxi a couple of times a week, and over the course of the week the increase adds up to $20. That matters to them. Those who are genuinely concerned about the environment are also scratching their head about the way in which this government is demonstrating its complete and utter hypocrisy. These bills should be split and for that reason I certainly do not support this massive new tax whack on LPG excise.

Ms OWENS (Parramatta) (18:09): I stand in this place again tonight thinking the world is perhaps turned upside down. We have the Labor government on this side of the House tackling climate change through a market based mechanism, and we have a Liberal opposition, supposedly the soldiers for the free market system, arguing for direct action. We have a Labor government talking about introducing a Liberal policy that dates back to 2003 in accordance with the Liberal government's time frame of 1 July 2011, and we have a Liberal opposition opposing it. We have a Labor government talking about introducing consistency in the tax regime for alternative fuels to remove distortions, and we have a Liberal opposition, again the supposed soldiers for the free market, arguing to leave those distortions in. I really do think this debate tonight shows a significant change in the way that both parties approach the modern world. You have to go back quite a few decades in the Liberal Party to find the kind of anti-free-market rhetoric that we find from the Liberal Party on both this issue and the issue of acting on climate change.

I do know that we are in the world we were in yesterday, because we still have the same scaremongering from those opposite. The member for Moncrieff talked about a massive spike in the price of LPG, and for that reason he wants to keep the distortions there for LPG. The LPG industry has enjoyed a tax holiday for decades—it has been very well protected for a very long time and has had a substantial period in which to grow and establish itself. Let us look at the facts of that before I get back to the alternative fuels legislation in general. Taxi operators are able to claim deductions for the expenses incurred in the course of conducting their business, including fuel. State governments actually set the fees for taxis; for a start, according to the evidence we have heard, if the state governments increased the fees for taxis in accordance with this so-called massive spike—I will talk about that in a minute—the impact on the taxis themselves would be negligible. We heard that evidence from the taxi operators;
we heard that it would not have an impact on their profit margins at all. The question is whether it will have an impact on the number of people who catch taxis. Again, the answer from the taxi industry was that the fare rise due to the increase in the tax on LPG would not have an impact on the number of people catching taxis.

Let us look at what the actual amount is. This massive spike is 3.5c on the average metro taxi trip, from 1 December 2011—hardly a massive spike. It sounds like a scare campaign to me. Over the five years, it will be a massive 19c by July 2015. So, again, let us keep the scaremongering in perspective here—we are talking about 19c on an average taxi fare at the height of the increase, by July 2015. By the way, the average taxi fare is around $20, so we are not talking about a massive increase at all—in fact, 19c is a very modest increase over a five-year period. It is a nice bit of scaremongering from an opposition which opposes everything, including their own policy, and tends to work as hard as possible at scaring people along the way.

These taxation of alternative fuels bills reflect policy which was first announced in 2003 by the then Howard-Costello government. They implement very longstanding plans to bring alternative automotive fuels, which include biodiesel, Renewable diesel, ethanol, methanol, liquefied petroleum gas, compressed natural gas and liquefied natural gas, into the fuel taxation regime on the basis of their energy content but with a fuel discount of 50 per cent to reflect the benefits of alternative fuel use. The policy underlying the bills, the same now as it was back in 2003 under the previous government, is to introduce greater consistency into the taxation treatment of automotive fuels to reduce distortions in economic activity arising from the tax-preferred status of some fuels—again an objective which we would expect those opposite to endorse. And they did endorse it, for many years. Being an opposition that simply opposes has some interesting side effects in that you end up opposing your very own policy. The second objective is to provide policy certainty to industry, and in a moment I will talk about the lack of certainty that this industry has been working under for the last decade at least. The third objective is to phase in the new fuel tax regime while continuing to provide support to the alternative fuels industry in recognition of the potential environmental, food security and regional development benefits from the use of these fuels. The bills were introduced on 23 March, with the legislation required to be in place before 1 July 2011 to avoid a number of tax consequences. These have been built into the tax laws for quite a while because the assumption was that the 2003 policy would be implemented on 1 July 2011. If it is not in place before then there will be a few gaps when previous laws phase out. So we do need to do it and it is quite time sensitive.

Fuel tax policy has been in flux for the better part of a decade and several elements of the industry have criticised that uncertainty by claiming that it has hindered investment. In the 2003-04 budget the then government announced its intention to tax all fuels, including biodiesel, ethanol, methanol and gaseous fuels, on an energy content basis but with a 50 per cent discount for alternative fuels. In the following budget it was deferred to 1 July 2011, but the financial impact of the alternative fuels taxation measure has been in the forward estimates since that 2003-04 budget.

Since then the government has changed—I think we all know that; it has been changed for quite a while. The current government decided in May 2010 to commit to implementing the previous government's
policy on the previous government's time frame, except that we revised the phasing-in arrangement for the taxation of ethanol to allow a 10-year period instead of a five-year period. Apart from that adjustment, we decided in 2010 to implement the previous government's policy on the previous government's timetable, which had been accounted for in the forward estimates since 2003-04 and is something that governments tend to do. When there is a change of government there are quite often policies that flow over from one government to the next. It is less usual that the new opposition opposes its previous policy, but when an opposition simply opposes I guess it has to find ways to go about that and this is one of them. It is one of the stranger ones, I have to say. A number of changes were required to implement the policy, including bringing gaseous fuels and methanol into the fuel tax regime, levying fuel tax on an energy content basis and reducing the excise rates on alternative fuels by 50 per cent.

The bills are really quite important because they play a role in providing certainty for investors. In a submission from Smorgon Fuels, for example, they noted that the biofuels industry urgently required strong investment signals in order to underpin investment decision making and to realise commercial success with second- and third-generation feedstocks and technologies. We heard from a number of witnesses in those public hearings who talked about the fact that their investment had been on hold and that over the last 10 years there had been considerable uncertainty which had prevented the industry from making the kinds of decisions to move ahead in the way that we all need them to. A number of witnesses from the biodiesel industry emphasised the fact that the industry was essentially an infant industry in the very early stages of development. They suggested that the certainty that the bills provided would be invaluable to the further development and eventual maturation of the industry. In their evidence, Biodiesel Industries Australia pointed out that they had only spent funds on repairs and maintenance for the past two years due to that uncertainty in policy. Similar points were made by other witnesses, including the Department of Treasury, which claimed that the bills will provide certainty to industry. At the moment there is no final legislation in place, but it was announced in 2003-04, so there has been a period of seven or eight years of uncertainty about what the final legislation would be.

There was a short period of consultation with the industry earlier this year. We heard from various representatives of the industry that changes had been made to the original draft bill to take their concerns into account. There was general positive feedback from many witnesses on that.

In closing, I would like to lend my wholehearted support to these bills. These bills have been a long time coming. These are bills that industry has known are coming. They were scheduled for July 2011 back in 2004-05 and they have been in the forward estimates. They will provide certainty for the sector. They will provide consistency across the sector. They will provide a framework for this extremely important industry to grow and make the decisions it needs to in order to move forward.

Mr VAN MANEN (Forde) (18:20): It is disappointing to rise and have to speak about yet another attack on families and small businesses in this country through another initiative of the Gillard government to introduce a new or increased tax. The Gillard government continues to find ways to hit small businesses and everyday Australians with taxes that continue to drive up the cost
of living. The first three bills in this package of bills concern the taxation of gaseous fuels for motor vehicles by applying a tax to LNG, CNG and LPG. These are taxes on mums and dads, taxi fleets and public transport systems, particularly in cities like Brisbane, Sydney and Perth whose buses use compressed natural gas to lower emissions and pollution. These buses burn cleaner and provide Australia with an opportunity to use some of the overwhelmingly ample resources that we have available to us in this country.

We are fortunate that we live in a country that is largely self-sufficient in energy and we are one of the few OECD countries that exports energy. Our energy comes from various resources. Beginning with coal, we are the largest exporter in the world for coking coal in the manufacturing of steel and of steaming coals for the production of electricity. Australia also uses liquefied natural gas, the supply of which will last a couple of hundred years based on current reserves. Whilst we have those supplies, we are still reliant on importing approximately 50 per cent of our petrol, diesel and crude oil requirements. LPG has proven a popular alternative due to the fact that it is significantly cheaper and the fact it is a product we can generate onshore which helps our economy in a positive way. There is no need to apply a tax on these fuels; in fact, it makes no sense whatsoever because by using these natural fuels Australia is already doing its bit towards lowering emissions and pollution.

The Taxation of Alternative Fuels Legislation Amendment Bill 2011 and cognate bills will result in a slug of 12½c a litre on LPG and 26.13c per kilo on LNG and CNG. I know those opposite have spent most of this debate trying to justify the reasons for this legislation and have used the argument that it was a coalition policy from 2003. We accept that, but it is also important to consider the circumstances in which these tax increases are being introduced. As the member for Parramatta pointed out, these increases have been deferred previously. Given the current difficult economic circumstances for families and small business in this country, why couldn't these increases be deferred to a future date when families and businesses are more able to manage the costs.

These bills make a mockery of the incentives which the coalition put in place in 2006 for motorists to convert their private vehicles to LPG in order to reduce fuel costs. The end result has been that over 700,000 Australian vehicles are now powered on LPG, which will mean that 700,000 Australians will be hit with an increase of around 20 per cent in fuel costs that they cannot afford. In Queensland, 21,000 residents received grants for switching to LPG, which will mean that 21,000 Queenslanders will be penalised for taking that good step of making their vehicles more environmentally friendly. It was the coalition's 2006 initiative that saw the $3.5 billion LPG industry grow significantly to meet the increased demand to the extent that it now employs over 10,000 people. The industry has already been damaged by the prospect of this tax and this has contributed to three LPG conversion firms going into receivership in the last three months, destroying 350 jobs. Yet these are the very green jobs that those opposite purport to support.

In effect, there would be no necessity to introduce these increased taxes if we had a government that was more considered in how it actually spent the tax dollars it has already collected from Australians. It is this government's wasteful spending and policy disasters that require it to reach even further into the pockets of Australians, hitting motorists, taxi drivers and small businesses
with this new tax hike. Let us not forget that this latest tax will be on top of an estimated extra 6½c a litre that will be the result of the carbon tax. This new tax will create a red-tape nightmare for the engine room of our economy, small businesses, who will have to cope with new measures to separate LPG sold for recreational purposes such as for barbecues or camping from LPG sold as transport fuel. This government seems to be a master at inflicting new highs of paperwork and bureaucracy for small business in Australia.

With 90 per cent of the nation's taxis being LPG powered, this 20 per cent increase in fuel costs will flow directly to fares, hitting passengers in their hip pockets once again. As my colleague rightly pointed out earlier, most of the people in my seat who use taxis are those who cannot afford to run a vehicle and are already struggling to meet day-to-day living costs. These price rises will lead to higher public transport costs with CNG powered buses used in capital cities being forced to pay the extra 26.13c excise. Public transport running on CNG or LPG such as the Brisbane City Council bus service and Surfside Buslines will be forced to increase their fares, making a mockery of the fact that we are trying to get people off the road and onto public transport to reduce congestion on our roads and to be more environmentally friendly. The decrease in CO₂ emissions resulting from taxis and buses having converted to natural gas has also been an important step in lowering particulate air pollution. However, an increase in the cost of running these vehicles will deter companies from continuing this process. The transport industries and resources sector are among those hit by the destruction from the recent floods, yet they are now being targeted by the Gillard government as it attempts a cash grab of a half billion dollars in new taxes because it cannot manage its budget.

I wonder how the government will respond to their constituents when they return to their electorates. What will they say to constituents in their communities when they ask, ‘Why are our fuel costs rising by 20 per cent?’ What will their answer be? Do those opposite lack compassion for the Australian people? Is it that they are just so determined to find ways to fill the black holes in their budget that they will find any new tax that they can get away with or is it because their debt is so large that this is a last-ditch attempt at raising funds to cover their black holes and waste?

We know that the government have gone from a cash surplus to a net debt over the past 3½ years. We know that they have gone from a budget surplus to a budget deficit. I would hope that those opposite are not deliberately trying to destroy the family budget with this tax but rather are incompetent money managers and wasteful with their spending.

I note that we will support one of these bills, the Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011. This bill extends the grants scheme to biodiesel and renewable diesel. Logic would state that if you had an alternative fuel you would support it and not tax it. The member for Throsby, in his speech, commented on the fact that these funds are used to build our road network. The question I have is: how much of this tax that is being raised is actually going towards building our road network? For a number of years, Australia has been trying to build a biofuels industry. Along with the government, the coalition supports the measures that were taken previously by the Howard government and that have been continued by the Rudd and Gillard governments to provide grants to the
ethanol, biodiesel and renewable diesel industries to offset the excise. The biodiesel and renewable diesel industries are already doing it tough because of the uncertainty over the past few years. They have faced unfair dumping competition from overseas suppliers. I commend the minister for continuing what we started, as we live in a region where diesel fuel is very much in demand.

The other three bills that are before the House will hurt mums and dads and school kids, who are already struggling with a household budget that is tight. With cost-of-living pressures growing every day for families, they now have to find extra money for bus and taxi fares as well. Many of those people who use taxi services are at the lower end of the economic scale, and this legislation will just make it more difficult for them. This government seems to tax every part of sensible living. These bills will introduce a tax on family cars, a tax on buses and other public transport and a tax on taxis. This tax will be administered in a way that means small businesses selling LPG will find it more and more difficult, as they will have mountains of new paperwork and regulations to deal with.

This is bad legislation. It is not about improving inefficiencies in Australia or ensuring that this country becomes a better and more secure place to live. This is legislation based on taxing a fuel source which we have in abundance and the source of which is efficient. These bills tax the livelihoods of Australians, increasing cost-of-living pressures on families. This is simply another tax from the government on top of the flood levy, the proposed carbon tax and the proposed mining tax, all whilst freezing assistance payments to middle-income families. Even the smallest increase in costs will hurt families, small business owners, taxi drivers and everyday Australians.

The coalition will seek to amend these bills. As usual, it is the coalition which stands up for the Australian people and ensures they receive a fair go. The biodiesel and renewable diesel fuel industries cannot be left in the wind while the minister plays games with their livelihood. They have suffered already and deserve certainty, which we will give them. I am interested to hear how the government will justify their continued attacks on the cost of living for Australian families. This continuous strain on Australians’ pockets must end and the government must tighten their belt and stop their reckless spending and constant creation of new and further taxes, imposed on the people of Australia, to solve their financial ineptitude.

Dr LEIGH (Fraser) (18:35): There are two kinds of people in the Liberal and National parties. There are conservatives, who oppose everything, say no and want to keep the world as it is, and there are liberals, who stand for values, who believe in markets, who believe in competition. We are here today to mourn the demise of the small ‘l’ liberal in Australian politics. With this oppositionist stance, the coalition have shown their true colours. They have shown that they are not only willing to say no to Labor reforms; they are willing to say no to coalition reforms, because that is all this is today. The legislation that is before the House today is enacting a transition path first announced by Treasurer Peter Costello. That is right: this is a Peter Costello reform, enacted by the Labor government and opposed by Tony Abbott’s opposition.

In 2003, announcing the May budget, Peter Costello said as follows:

… today I am announcing important long term reforms to the excise treatment of fuels. The reforms establish a broad sustainable taxation
framework for fuels, by addressing a number of anomalies in the current fuel tax system and providing increased long term certainty for investors, while meeting Government commitments and providing time for industry to adjust.

Time we have had. Indeed, during the House Standing Committee on Economics inquiry, I asked Treasury officials if they could give me a single example in which a transition path had been longer than eight years, in which an industry had more than eight years to adjust. They could think of no such example. But this eight-year reform, supported by the Howard government, supported by the Liberal and National parties as recently as the last election, has now been abandoned in favour of the quick vote grab, the quick headline. As the regulatory impact statement says:

The announcement of the measure in the 2004-05 Budget means that industry is aware of and has been expecting the proposed changes …

It goes on to say:

Significant deviations from the announced policy that impact on the tax liability of the affected industries may unsettle investment decision making.

Those of us on this side of the chamber believe in providing certainty. We believe in long-run reform, and this legislation is doing exactly that. I hate to say this, but Peter Costello was right in 2003 and continued to be right through the period of the Howard government.

This reform recognises, as the LPG industry say, that they generate 87 per cent of the emissions of regular petrol, and under this policy they will still only pay tax at half the rate of the energy equivalent fossil fuel. Australia ought to tax fuels more consistently. LPG users should contribute to maintaining the roads that are used by all vehicles. Even following the enactment of this legislation, if it passes the parliament, as the member for Dobell has pointed out, Australia will still be well down the list in our taxation of LPG. As a price comparison prepared by Treasury for the House Standing Committee on Economics sets out, LPG in Australia will still be taxed at a lower rate than in the United Kingdom and the United States.

So this is not radical reform. This is reform that recognises that what we need to do is follow through. The government announced in 2003 that fossil fuels would be taxed in a fairer and more equitable way, and we should not suddenly step away from that at the very last minute, making a momentary grab for the headlines. But, sadly, that is exactly what the opposition has done here. If this legislation is not passed, it will drive a $500 million plus hole in the budget. Those opposite did not oppose the fuel tax changes in the election campaign, but now they are opposing the measure. Are they putting up alternative savings to fill that $500 million black hole? Of course not. This is the opposition that went to the election with costings $11 billion short, and, when you are $11 billion short in an election campaign, what is another $500 million between friends?

Sadly, the opposition here are playing exactly the same sorts of simplistic games that the US Republicans are playing. But that puts them apart from their right-wing colleagues around the world. With your indulgence, Mr Deputy Speaker, let me run through what some right-wing governments are doing in different parts of the world. In Germany the Merkel government are putting in place a high-tech strategy. They are aiming to network the research and business communities more closely. They have a pact for research and innovation. The right-wing parties in Germany actually believe in ideas. They are, if you like, small 'l' liberals. If you look at the UK Conservatives, they are
putting in place a 'Big Society'. To me, I have to say, it sounds a little bit like Tony Blair's Third Way but there are certainly ideas. They are part of an emissions trading scheme and they are committed to reform within the NHS. The right-wingers in the UK are committed to ideas. They are not a party of 'no'; they are a party of generating ideas. The right-wingers in Canada are investing in a clean energy economy. They have a digital economy strategy. They are looking at new resources to support leading-edge research and they have a new phase of Canada's economic action plan. In New Zealand the right-wingers have in place an emissions trading scheme, a policy that we may hear a little more of next week when Prime Minister Key addresses this parliament.

In all of these countries we see right-wing parties putting in place ideas. But what do we see in Australia? We see the politics of negativity, the politics of no. The Liberal and National parties have truly become the parties of no. They are not only opposing policies being put forward by the Labor government; they are opposing their own policies. They are turning their back on economic reform when it comes from this side of the House, such as carbon pricing and minerals resource rent taxation, and they are opposing good economics even when it comes from Peter Costello.

We now see the Leader of the Opposition in the frankly bizarre position of being the only living Liberal Party leader who does not support putting a price on carbon, the only one who does not support using market mechanisms to tackle dangerous climate change. The Leader of the Opposition's unwillingness to use markets when it comes to climate change is symptomatic of a rejection of any politics of ideas in favour of the politics of negativity and the politics of simplistic bumper stickers and getting his face on the evening news. While we in government are working on long-term reforms, driven by a principled approach that now sees us looking to put in place the LPG reforms announced in 2003, those in the Liberal and National parties are preparing to vote these measures down. They are willing to put a hole in the budget, willing to vote down policies first proposed by a Liberal Party Treasurer.

It is frightening to think what would have happened to Australian economic reform were Mr Abbott to have been the Leader of the Opposition during the Hawke and Keating governments. Would we have had changes to superannuation? Would the superannuation guarantee have come into place? Probably not. Mr Abbott would have run a 'no new tax' campaign against compulsory superannuation. He would have said Australian households could not afford it. And what would the result have been? In recent weeks, we have seen headlines in the UK saying things like 'Millions must work after 70' or 'Now no pension until the age of 72: only way to save the economy, say experts'. Why is that? It is because, unlike us, the British do not have compulsory superannuation. They do not have that bucket of money that provides dignity in retirement. They do not have the benefits of the long-lasting economic reform put in place by the Keating government in the early 1990s. If Mr Abbott had been Leader of the Opposition at that time, I suspect he would have voted down compulsory superannuation. He would have run the mother of all scare campaigns against compulsory superannuation and Australians would, as a result, be impoverished in their retirement. Mr Abbott probably would have opposed the tariff cuts. He would have run a simplistic made-in-Australia campaign, insisting that it was not possible to take down the tariff walls when it came to cars and that it was not possible to take down the
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tariff walls that were sheltering our textiles, clothing and footwear industries. No, he would have gone to those factories and said: 'The Labor government may be proposing to put in place a long-term plan to sustain jobs and reform, but that's not good enough. It's better for me to just stand against change.' If Mr Abbott had been the opposition leader in that period, we would not have seen the tariff cuts we saw in 1988 and 1991—tariff cuts that put $1,500 back into the pockets of the typical Australian family, tariff cuts that put Australian business on a more competitive footing, tariff cuts that recognised that the Australian economy needs to compete with and engage with the world and that that is the best way to prosperity.

Mr Abbott, I suspect, would have rejected all of that in favour of a spot on the evening news. He probably would have rejected enterprise bargaining as well, one of the great productivity-enhancing reforms of the era. I suspect, in his constant, carping negativity, he would have stood against that as well—rejected the notion that pay deals can be struck at the enterprise level in return for higher productivity.

And of course he would have stood up against capital gains taxation. I suspect that if Mr Abbott had been opposition leader in the mid 1980s he would have said: 'Capital gains taxation? That's a big new tax on every form of capital gain. I'll oppose that.' That, again, would have meant that we had a big hole in the budget. It would have again meant that a source of taxation that, as we know, is an efficient and equitable way of raising revenue would not have come into place. Australia would have been a country that then had to turn to less efficient sources of taxation.

Mr Abbott's constant, carping negativity, applied to many reforms of the past, would have left Australia in a scary position: an Australia with no compulsory superannuation, still sitting behind high tariff walls with no enterprise bargaining and no capital gains tax.

Frankly, we know that people do not like taxes, but we need them. With taxes we build society, and we need to raise tax revenues from the most efficient bases. We need to achieve consistency across different taxes, and that is what we are doing in focusing on the emissions resulting from LPG. We raise tax revenues in the most efficient way in order to fund social services, and we impose taxes on things that have negative externalities that harm others. That is why we impose things like fuel taxes, alcohol taxes and cigarette taxes. We impose these taxes because we recognise that they are an important part of building a civilised society. If we are to constantly oppose every measure, then we end up in the perverse situation of having inconsistencies. We end up in the odd situation of inequitable tax treatment of fuels, whereby fuel users look at the systems and say, 'That doesn't strike me as fair.' If a tax system is not regarded as fair by taxpayers it loses its legitimacy.

With this bill, we are putting in place reforms to LPG, the impact of which will be small. The reforms will be introduced slowly. They will allow families, taxis and other users time to adjust, and, of course, taxi drivers will be able to claim fuel costs as a tax deduction. The modelling we have suggests that the average metro taxi trip from 1 December 2011 will cost an additional 3½¢—and that is if the LPG increase is passed on in full. That is a very, very small impact, and it is being put in place to achieve consistency across fuel—a philosophy supported by those opposite for eight years minus the last month, when the Liberal and National parties turned their back on economic reform.
Mrs GASH (Gilmore) (18:49): I see that the Minister for Defence Materiel is still in the chamber. With your indulgence, Mr Deputy Speaker, I would like to place on record our sincere thanks to the minister for coming to the electorate of Gilmore with the wonderful announcement that Sea King Shark 07 will be made a permanent display in our museum. Thank you very much, Minister.

The only amendment I will be supporting in this quadrella of bills—the Taxation of Alternative Fuels Legislation Amendment Bill 2011 and related bills—is the cleaner fuels amendment, and I will explain why. This government constantly and loudly crows about its so-called green credentials, about its commitment to the environment and about what a bunch of environmental philistines the coalition is. If anyone cared to drill deeper they would find that this persistent noise and crowing is no more than a self-constructed idol with clay feet. The credentials they lay claim to do not stand up to scrutiny, and in this suite of legislation is the evidence. Alternative fuels are the latest victim to have a Labor tax imposed. Unfortunately, the government cannot see that this new tax will do nothing more than add further pressure on struggling families and businesses and stop any encouragement for industry or motorists to use alternative fuels.

It is an unjustified and unfair impost. The tax will impact the taxi industry, couriers, freight carriers and anybody who relies on vehicle transport propelled by LPG. It will especially impact on regional Australia, which is dependent on alternative fuels like LPG, LNG and CNG. A number of significant inconsistencies are evident in Labor's approach to the environment. A newspaper article on Wednesday, 18 May revealed that some of the more recent champions for a cleaner, greener Australia—Labor ministers—choose to drive gas guzzlers. The article said, in dot points:

- Labor ministers are driving gas guzzlers
- Only 2 cabinet ministers driving "hybrids"
- Greens say revelation is "disappointing"

No doubt some of their more creative environmental ideas were conceived as they burnt up fossil fuel driving around selling their solar panel and pink batt schemes. Admittedly, the article also said that the opposition was little better in its choice of cars—but at least we are not making hypocritical statements like this government is. It seems to be a matter of do as I say, not as I do. The federal resources minister believes ministers should be able to choose whatever car they wish to drive. 'I'll drive the car of my choice,' he said. Even the PM drives a 3.6 litre Holden Calais while she contemplates slugging Australians with a carbon tax that seems to be destined to achieve nothing but to get people to pay more while the cost of living continues to rise. Perhaps that is why the Minister for Climate Change and Energy Efficiency is now suggesting there will be no carbon tax on petrol. That will be handy in keeping the petrol costs down on his 3.6 litre Calais Sportswagon as he goes about the countryside promoting environmental reform. I have not yet established whether the Minister for Sustainability, Environment, Water, Population and Communities, who drives a Ford Territory, agrees with him. The question that has to be asked is whether they fuel their cars with E10, or do they prefer high-octane fuel? I drive a four-cylinder Tarago, which I fuel with E10 fuel and have done for many years. I have an account at the Marina Service Station in Nowra which once was used to promote ethanol fuel that was being produced at the Manildra plant in nearby Bomaderry, one of the largest ethanol plants in Australia. I am happy to produce
the receipts for my regular E10 purchases. My track record on promoting ethanol is on public record and I am sure the chairman of Manildra, Dick Honan, will verify that during the days of trying to get the use of ethanol mandated.

It is important to remind the electorate of this historical background because Labor have a talent for rewriting the record to suit themselves. On 12 September 2002 the Howard government announced that ethanol would be subject to excise at the same rate as unleaded petrol, 38.143c per litre. A production subsidy equal to the excise was also provided to domestic producers, thus bringing the effective rate to zero. The government also imposed a customs duty of 38.143c per litre on imported ethanol. Who can forget the hyperactive campaign waged by Labor at the time suggesting that using ethanol would rot your engine and other doom-and-gloom warnings? The former member for Canberra made an outrageous comment that he had seen evidence that ethanol in cars was destroying engines. Later it turned out that the culprit was either methylated spirits or kerosene that had been put into the car.

With the emphasis now on saving us from global warming, surely a case has been made for encouraging the uptake of cleaner fuel and even more efficient fuel systems. So it is surprising to now find the government wants to apply a disincentive on the use of some alternative fuel types such as gas. The AusIndustry website says that 'the objective of the LPG Vehicle Scheme is to increase the use of LPG as a transport fuel'. Surely slapping another 12.5c per litre on LPG can only make the use of petrol a more attractive proposition. The government has spent over $400 million over the past five years to encourage motorists to convert to LPG. Gilmore had one of the highest take-up rates of LPG subsidy conversions. Now the government is increasing the excise, which will discourage the use of alternative fuels. This new tax on LPG is a punishment on the 700,000 families that made the right decision to take advantage of the conversion grants because LPG is up to 50 per cent cheaper at the petrol bowser and environmentally friendly. Of these families who converted, two-thirds live in regional Australia, where LPG is the preferred fuel used by agricultural and small businesses. Anybody in tune with the electorate will tell you that what the government is doing has people scratching their heads. They are saying to me: 'Jo, what's going on? One minute they're giving us money to convert to LPG because it's supposed to be good for the environment and, now that we've done that, they're putting the price up!' What am I supposed to tell them?

More than 270,000 vehicles have made the transition. Most are now stuck with their LPG converted cars, so you can imagine how angry the owners are. Many made the conversion as an economy measure in the face of rising fuel prices, so they are justified in feeling they are being cheated. And it was those rising fuel prices that we were berated over by Labor, so isn't it ironic that it has now come to this? We will be paying more for our energy needs than ever before despite its promises and as a result of policies introduced by this government. Yet the government still wants to put on a carbon tax. It just doesn't make sense to keep inflicting more costs on those that can least afford it.

So here we are facing up to another raft of taxes that will do nothing more than raise revenue to help pay back Labor's massive debt. In an era of peaking oil production, concerns over carbon emissions, global warming and increasing energy demands, isn't it rather incongruous to be taxing an alternative fuel? These are fuels that industry
especially has opted for because they represent a cheaper input cost to production and distribution. In my electorate of Gilmore, LPG is a popular fuel for the thousands of utes being driven by independent tradies. They are trying to keep their costs down but now they will have to charge more to recoup the additional costs being imposed by this government. Some might have to absorb those costs because they are in a competitive market and they do not want to lose customers by passing on these new taxes. Others will charge more, and it is the consumer that will foot the bill.

Just another tax in a raft of taxes to come, the biggie being the carbon tax next year. And we still don't have the details except to say it will be definitely passed down the food chain to the end user, in one way or another—of that there is no doubt.

Liquefied natural gas, or LNG, is to have a 26.13c a litre tax imposed as a result of this bill, as will CNG, compressed natural gas. Both are used in the transport industry, which feeds into freight and other production costs. The question that has to be asked is why the government is choosing to do this. Why is it saying we need to go to more environmentally friendly fuels and then slugging us when we do? Why did it commit to keeping down the price of groceries, even to the extent of setting up Grocerywatch, when its own policies will be adding to the price of everyday consumables? Why did it give the impression it was concerned about the price of fuel, even establishing a commissioner to monitor price rises, when the government itself is feeding fuel price increases through its own policies? Gas is less environmentally polluting than other fossil fuels, so you would think that a government that professes its green credentials would be doing all it can to steer us in that direction. But here we have the opposite effect. Let me repeat a concluding remark in the parliamentary research paper I alluded to earlier:

The use of natural gas is less polluting than the use of coal and oil. A major benefit is that natural gas is some 65 to 70 per cent less greenhouse gas intensive than either brown or black coal. Another decided advantage of gas is that it contains far fewer particulates and other elemental contaminants than either coal or oil. As a consequence natural gas can be used as an alternative fuel for transportation in the form of either compressed natural gas or liquefied natural gas, especially in heavy transport such as public buses or road freight carriers that can use centralised refuelling points.

That is why I and my colleagues will be opposing the introduction of yet more taxes on a resource upon which many Australians are dependent. There is no justification except as yet another tax grab to fund a record deficit that could have been avoided with smarter management. And I suspect it won't be the last. The answer to my question as to why the government is choosing to tax alternative fuels is $518.5 million. That is the amount estimated to be gained in additional revenue. But will it be used to pay back the debt or will it be frittered away? That is the multibillion-dollar question. This is Australia paying for the plasma TV stimulus spending of the Rudd government and its successors.

Page 5 of the explanatory memorandum to these bills states:

Although the taxation based advantage of alternative fuels will be reduced, the tax changes continue to provide support to the alternative fuels industry in recognition of the potential environmental, fuel security and regional benefits that these industries can generate.

The thing that is missing from that statement, as warm and fuzzy as it is, is how that will be achieved. Again, long and reassuring on rhetoric but gravely short on vital detail. All I can see happening is a displacement effect of motorists going over to diesel or even hybrids. Then I suspect—give it a few years
to build the numbers—the government will hit them with another new tax. It is a modus operandi that is becoming a feature of the government. Do we have to trust them again? Not this pollie.

Earlier this week I noted, of the many press releases produced by the government, one saying that the Prime Minister has vowed to cut red tape for small business. What has not been explained is how, through this legislation, red tape will be cut when more is being produced and, in distinguishing fuel LPG from non-fuel LPG, how my local service station operators, for example, will deal with that. Are the government still working on the detail, as they say they are with the carbon tax, or are they just asking us to believe that they will get it right, much the same as they have done with the previous attempts, such as the pink batts fiasco, the BER overspending and the asylum seeker debacle?

Despite what it loudly proclaims, it is not a government that is a friend of small business; it is a government that is confused as to what it thinks small business actually is. I read an interesting newspaper article last year reporting the vocations of politicians—in other words, what they did before they got into politics. I think only one, or perhaps two, Labor politicians were self-employed or managed a business. Maybe the same two, or perhaps another one, actually held down a real job. Most were dependent on the union movement for their bread and butter and in that statement there is a clue as to why there is this incapacity to manage effectively. When your whole career is spent trying to throw a spanner in the works, eventually you become very good at it. This legislation is yet another example.

In closing: the only thing I will be supporting is the Energy Grants (Cleaner Fuels) Scheme Amendment Bill, because I want to encourage people to use cleaner fuels. It is one thing to rail against the coalition, accusing us of being climate-warming sceptics, yet quite another when we ourselves have introduced many initiatives towards a cleaner environment. The Energy Grants (Cleaner Fuels) Scheme Act 2004 was introduced by a coalition government. Surely, that points to the lie of Labor and their self-constructed new heresy on global warming. I supported the philosophy of a cleaner environment then and I will support that philosophy now. But I will not support a great big new tax just for the sake of it or just to save Labor's hide.

Mr WINDSOR (New England) (19:02): I rise to support the Taxation of Alternative Fuels Legislation Amendment Bill 2011 and cognate bills before the House today. I do so reflecting on a few memories of what has happened in this building. When I first entered this parliament there was a move to achieve a renewable energy target for biofuels, and the member for Gilmore would remember those days. A little more than a decade later fewer biofuels are produced in Australia than were produced when we originally set a target. So I am pleased to have been part of the negotiations with the government that has actually removed biofuels from the taxation regime, and I will go on a little to explain why.

About seven or eight years ago the Howard government determined that a period of seven years be allowed for renewable energy and some of the transitional fuels that the member for Gilmore talked about, LPG in particular, to be exempted from the taxation and excise system. That grandfather clause comes into effect on 1 July. It was the intent of the coalition to include LPG and other transitional fuels—fossil fuels and biofuels—in the fuel excise regime, as of 1 July this year. In discussions that we have
had with the minister and others within the government and in the broader community, it has become very obvious that one thing is quite different now to what it was seven or 10 years ago. That particular point of difference is that there is concern about climate change and greenhouse gas emissions. In structuring a fuel taxation system and excise regime that takes into account the need for a transition towards cleaner fuels and renewable energy—and, in a sense, I see the legislation before the House today as part of a transitional process—I see the balance that has been struck by these bills as being quite fair. It is much fairer than what would have been determined had the end of the grandfathering provisions that the Howard government set up seven or eight years ago been applied, whereby both renewable and transitional fossil fuels would have come into the system at much higher taxation rates.

Irrespective of which side of parliament we are talking about, both sides of this parliament have a five per cent target to reduce greenhouse gas emissions by 2020. One way of achieving that is to encourage renewable energy sources. In terms of the zero taxation rate, the renewable energy source that we are talking about today is biofuels. How one could suggest that we should impose a taxation regime on a renewable energy source when, in fact, through the various carbon taxation and emissions trading scheme discussions we are trying to encourage renewable energy of all sources fascinates me. So I am pleased to see that the government has recognised about charging any taxation on biofuels—be that ethanol, biodiesel or some of the variants of those two fuels; and I think there is enormous potential for algae to produce biodiesel in our community as well and for lignocellulosic ethanol to be produced. It is being produced in some parts of the world at the moment. Obviously, there are some cost issues there, but at some stage biomass-to-biofuels will become a much greater reality than it is now. In China they are working on various processes as we speak, as they are in Canada and in parts of the United States. In fact, in the United States, Mr Deputy Speaker Adams—and I am sure you would recognise this, as a great follower and student of global politics—some 39 billion litres of transportation fuel are biofuel. That is 10 per cent of the transportation effort. So, in a raw sense, that suggests that there has been action. Some people in this House would say, 'Well, the United States is doing nothing in terms of moving towards controlling or reducing greenhouse gas emissions.' On that one issue, 39 billion litres is about the total fuel usage for Australia—of diesel and petrol. So 10 per cent of the field market of the transportation fuel is now a renewable fuel source in the United States.

I would like to make a few comments about the Productivity Commission's recent findings on analysing biofuels and other emissions reductions globally. In the main I think it was a very good report, but there are a couple of things I would like to take issue with.

But some would suggest that the production of biofuels in the States—the 10 per cent that I am talking about that has moved to a renewable energy source—is coming essentially from food acreages. That is not strictly the case. In a lot of cases, as with the major producer of ethanol in this country, it is actually a value-add to an agricultural product. The member for Gilmore talked about the Manildra operation in her electorate, which is essentially a starch and gluten producer, with a number of other products—extenders et cetera. An enormous amount of grain is consumed domestically. The residue of that particular value-add to grain production is in fact a biofuel, which is
ethanol—which the member for Gilmore uses in her four-cylinder car, as she described a few moments ago.

I have been quite supportive of what the Productivity Commission said in terms of the greenhouse gas emissions debate that this parliament is having, and I am part of the Multi-Party Climate Change Committee that is deliberating on a number of issues now. But the Productivity Commission made some points on biofuels and actually made some errors. I would like to see how they arrived at the conclusions that they did. They were essentially saying that the subsidies, as they call them, to biofuels in Australia are a fairly ineffective way of creating a pathway through to cleaner fuels. They would suggest that the use of a pricing mechanism—an emissions trading scheme or a carbon tax—is a much more effective way of dealing with the issue of getting people to change behaviour.

I had a briefing with the Productivity Commission and raised this issue with them. I find it fascinating—and the Howard government used to run this line as well—that they would argue that the removal of a tax is in fact a subsidy; that the non-placement of an excise on a renewable energy source is in fact a subsidy. As I understand it, as the basis of their analysis, looking at transportation fuels, not only in Australia but in other parts of the globe, they have used that assumption—that the non-placement of a petrol tax on a renewable energy source or a biofuel is in fact a subsidy to that industry. When you see the way in which the value-add to grain occurs—Australian grown grain goes through the Manildra operation and the by-product is the fermentation of the starch, which is the biofuel—they have not taken into account the other processes that are involved there. My view, and I will be asking the Minister for Climate Change and Energy Efficiency to get the Productivity Commission to revisit some of their calculations, is that I do not think they have taken into account the appropriate life-cycle analysis in terms of how most grain is actually produced in this country now—in fact, I think they have taken into account a fairly archaic agricultural practice, where the carbon footprint and fuel usage is quite high, and then relayed that through the various processes and come out with a negative in terms of the life-cycle analysis. There are plenty of life-cycle analyses that are done in other parts of the world—under no-till farming, for instance, and other improved technologies—which would come up with a very different life-cycle analysis.

The third thing that the Productivity Commission have not done in my view—although they did refer to the Chinese biomass-to-biofuel arrangements, which are in their infancy, but nonetheless people are working on that technology as we speak, in many parts of the world—is to look at the potential, the life-cycle issues, the food issues and the acreage or land substitution issues that may or may not occur when you go from biomass to biofuel, or lignocellulosic ethanol, or from algae to biodiesel. They did not look at the potential in terms of transportation fuels into the future. In fact, they have painted a fairly negative picture of biofuels generally, based on, I think, two assumptions—the removal of the tax is a subsidy, and therefore should be counted against the production of biofuel, and the fairly archaic life cycle analysis the Productivity Commission seems to have had running around for some years now, which is based on food acreages going towards bioenergy. Biomass to biofuel is quite exciting and we should be putting research dollars into it.

The other issue I will raise briefly is that of the inadequate funding of our local roads...
and where our fuel taxation money goes. Most people would know that the current taxation regime for petrol is 38c per litre, plus GST on top of that of 12c a litre or a bit more. So we are paying about 50c a litre in tax. The last time I looked at the calculations, about eight cents of that was going back to roads of any sort. For every cent of excise I think $368 million is actually raised. I have always been a supporter of the Roads to Recovery program and am pleased to see that both sides of parliament have actually agreed on the concept. Not quite a cent a litre out of the 50c goes back to Roads to Recovery. I know that there are some Financial Assistance Grants et cetera that go to local roads, but that is only a percentage of what used to be the road use tax actually going back to local roads. I make the plea to both sides of parliament that it is about time we put more of the revenue from fuel excise into our local roads. I would argue that at least 3c a litre annually should go into the Roads to Recovery program. That would give local government at least a chance not only to maintain the current infrastructure in the fashion that it should be, but also to improve it in some cases.

I encourage people to think quite seriously in this new age, when we are looking at reducing emissions, about how certain fuels, like LPG, are transition fuels and about how certain other fuels are very clean, so there should be a difference in the way they are taxed. The transition fuels, which are pollutants in the sense that they are petroleum products, should be and are in this legislation taxed at about one-third the rate of petrol. Biofuels are not taxed at all, and neither should they be in this day and age.

**Mr CHESTER** (Gippsland) (19:18): I rise to join the debate on the Taxation of Alternative Fuels Legislation Amendment Bill 2011 and, in doing so, will highlight what I believe is this government's failure to provide relief for Australian families who are struggling with the increased cost of living.

This government is completely out of touch with everyday Australians. It promised before the 2007 election to reduce the cost of living. What we have seen is a succession of failures. We had Fuelwatch and GroceryWatch and failed government programs, such as the home insulation bungle which tragically cost four young men their lives. We had the Green Loans assistance program, under which the government trained upwards of 10,000 people with the false lure of a job that was never there for them. Then, of course, we had the blowout in the schools halls program and the government's failure to achieve value for money. To make matters worse, this failure to deliver value for money has left the Labor government desperate for more tax revenue, so it is turning to the Australian people once more.

This Prime Minister talks about a year of decisions and delivery. Her only decisions seem to be the order in which she introduces each new tax and when to take delivery of more money from Australian families, who cannot afford another two years of this government's mismanagement. Already this year we have seen the flood levy, which was imposed on people whether or not they had donated to the many thousands of Australians who suffered in the floods over the summer. The flood levy completely undermined the Australian ethos of voluntarily lending a hand to a mate in need. This Prime Minister is so out of touch that she thinks she can legislate mateship. We have also seen the government's botched handling of the mining tax—and there is still a lot more to go in that debate—and the carbon tax, which will destroy jobs in regional areas, particularly in regional areas like the La Trobe Valley in the heart of my electorate.
The Minister for Climate Change and Energy Efficiency continues to stand up in this House and talk about so-called dangerous climate change and the thousand biggest polluters. It is as if every word has been focus-grouped within an inch of its life to make sure that the key messages get out: 'We must always refer to dangerous climate change and to the thousand biggest polluters.' In fact, this government is imposing a tax on about 22 million Australian households, who are apparently 22 million of Australia's biggest polluters. Just today, we heard the coal industry express concerns about up to 4,000 jobs being lost under the carbon tax. I have had reports previously in my electorate relating to the prospect under the CPRS of 3,000 jobs being forgone in the broader Gippsland region. Families in my electorate do not want a household assistance package from this government. They want the decency of a job, to be able to attend their place of work and to earn income to pay their mortgage and pay off their car loan. They do not want this government's household assistance package; they want to be able to go about their lives without having their jobs sacrificed on a whim of this government.

Now we have this fuel tax, which has been presented to the House in the form of this legislation. It will have a direct impact on the cost of living, particularly in regional areas. I will focus mainly on the LPG proposals, which go to the heart of the problem for regional motorists. We are talking about introducing a new fuel tax which will increase to 12½c per litre over five years. That does not make sense on several levels. To begin with, this government likes to talk a lot about its environmental credentials. It is estimated that a taxi run on LPG emits up to 13 per cent less in carbon emissions than a petrol run taxi. For a government that claims it wants to take action on so-called dangerous climate change, the hypocrisy in making an alternative, cleaner fuel more expensive and less attractive for people to use is obvious for all to see. This is a tax grab, pure and simple, and the government should not pretend otherwise. The hypocrisy and the policy inconsistency get worse when you consider the current incentives to increase the use of LPG as a transport fuel. That is not my stated intention. The AusIndustry website refers to the LPG Vehicle Scheme statistics:

The objective of the LPG Vehicle Scheme is to increase the use of LPG as a transport fuel. The Scheme provides grants for:

- the LPG conversion of a registered vehicle; or
- the purchase of a new LPG vehicle (this includes vehicles fitted with LPG at the time of manufacture and vehicles fitted with LPG after manufacture but prior to first registration).

As at 30 April 2011, under the LPG Vehicle Scheme there have been 283,512 grants paid. In terms of the LPG Vehicle Scheme grants statistics by state, you will see that Victoria, with 135,500, has taken up the scheme more than most. Even after Labor cut the incentives for the fuel conversion program, it still proved popular particularly, as I said, in Victoria.

The people of Gippsland have been some of the heaviest users of the grants program, given the extra distances motorists in my electorate travel. It is so popular in regional areas because our communities are faced with a high cost of personal transportation. They are doing everything they possibly can to reduce their household bills. The average vehicle in a regional area will travel further each year and motorists have the opportunity to recoup the conversion cost in a far shorter time. Under this exercise, the government is sending a very mixed message to the broader community. The scheme will no longer be seen as attractive because recouping the value of conversions obviously takes longer.
and motorists know the excise will only ever increase under a Labor government.

Some people would say that, at 12½c per litre, it will not have that big an impact on the rate of conversions, but the simple fact of the matter is that motorists will see this as just the beginning. They know that, whenever Labor need more taxes, they will be going back to the Australian people. They will have their hands in the pockets of the motorists of Australia and the LPG excise will only increase in the future.

This will also have perverse impacts on the autogas conversion industry and on various small business owners right across my electorate. I believe many others will suffer as a direct result and jobs will be lost in the community. There is no question that the impact on the wider community will be felt whether they have an LPG powered vehicle or not. I would like to refer to a statement by the President of the Australian Taxi Industry Association, John Bowe, in May this year, who highlighted the concerns of his industry particularly relating to increased costs. The ATIA has raised these concerns with all members of parliament and says:

The introduction of excise on LPG is at total odds with the Government's policy on energy security and carbon reduction. Why tax an alternative fuel that will underpin our future energy needs, and is cleaner and greener than petrol and diesel?

LPG is a cheaper, greener alternative fuel choice the taxi industry. A taxi powered by LPG emits up to 13% less carbon emissions—
as I noted earlier—
than a petrol-run taxi. It is also up to 50% cheaper than petrol at the bowser.

… … …

If the excise is introduced many jobs in the tax industry could be lost. The increase in costs to many of our passengers will be unbearable. Our drivers and fleet operators will not be able to afford to absorb such a price hike either. It is inevitable, if this excise is introduced, that taxi fares will also increase and have an adverse impact particularly on members of our community who, for whatever reason, are unable to drive themselves—through disability or age—and rely on the public transport system, which, in many regional areas, means the taxi system. In vast parts of my electorate the only form of public transport is the taxi. Further, in his comments, John Bowe said:

Many taxi licence owners and fleet operators feel they were 'duped' into converting the vehicles to LPG and opting to use the greener gaseous fuel to run their business. The Government encouraged LPG conversions with rebates and other incentives. When taxi fleet operators opted to for LPG, they did so in good faith. They believed they were doing the right thing by environment, their business and customers.

… … …

If a carbon tax is imposed, a further 4.5 cents per litre would be added to the cost of LPG—a double whammy for those who can least afford it.

The excise on LPG will punish those passengers and consumers who are already struggling with the rising cost of living and want the alternative cheaper option. As John Bowe said in his final comments:

We strongly believe that any excise will hurt the taxi industry, bring the LPG industry to its knees, and will hurt other industries and small businesses that rely on LPG.

Again, the regional areas will be most adversely affected, but that does not seem to bother those opposite. It certainly does not worry the Treasurer, who does not even bother to answer questions on this topic. I first wrote to the Treasurer on this issue in October last year on behalf of Mrs Patricia Thatcher of Boolarra, who was concerned about the cost of living. She had heard about the likelihood of excise coming into play in a few months time so she converted her vehicle to LPG. I had no reply from the
Treasurer, but I understood that perhaps coming out of the election period he was very busy. So I wrote to him again in February this year but had no reply. I wrote to him on 19 May, but again there was no response whatsoever.

Apart from you, Mr Deputy Speaker Adams, a champion of a regional location, I fear this is the most city-centric cabinet imaginable. Regional Australia does not have a voice in the Gillard government's cabinet. Issues like the increased cost of living for regional motorists are something they simply do not understand. You only have to look at the ministerial list to get some indication of this government's lack of compassion and understanding of the issues affecting regional people. The Minister for Regional Development and Local Government, the Hon. Simon Crean, the member for Hotham, has his electorate office in Clayton. The Minister for Infrastructure and Transport—a very important portfolio for regional people—the member for Grayndler, has his office in Marrickville.

The DEPUTY SPEAKER (Hon. DGH Adams): Order! The honourable member needs to address the bill before the chair.

Mr CHESTER: Certainly. As I was saying, the increasing costs associated with LPG excise will have a direct impact on regional communities. The point I am making is that no-one in the cabinet is standing up and fighting against this LPG excise because none of the members of the cabinet actually live in and understand regional communities. We have the Minister for Sustainability, Environment, Water, Population and Communities, the Hon. Tony Burke, whose electorate office is in Kingsgrove in the heart of Sydney. Surely the Minister for Resources and Energy would stand up for regional communities, but his electorate office is in Preston—so why would he? The Minister for Agriculture, Fisheries and Forestry has his electorate office in Brisbane. Not a single member of this government's cabinet lives and works in regional communities and has a deep understanding of the issues affecting regional people on a daily basis. Regional Australia simply does not have a voice in the Gillard government cabinet and these ministers simply do not understand the issues we face on a daily basis.

It makes no sense to be applying this tax to LPG along with CNG and LNG at a time when Australian families are struggling with an increased cost of living and the government is spending billions of dollars of taxpayers' money on its efforts to reduce carbon emissions. The Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011 is a worthy bill and it has the coalition's support, as other speakers have indicated. It is an interesting tactic to say the least that the minister has sought to combine all these pieces of legislation and then include a clause which basically says that the whole lot needs to pass or the biofuels industry gets the bullet. It is like trying to hold a metaphorical gun to the head of this legislation—pass the other three or the good one gets it. It is not so subtle a piece of political extortion to try and gain support for three pieces of legislation which are clearly contentious. The coalition had previously flagged its intention to oppose this new excise but by adding it to the support for the biofuels industry the government had hoped to wedge this side of the House into supporting its latest tax grab.

I support the coalition's decision to oppose the first three bills and I also welcome the amendment from the shadow minister to break the nexus between these bills. Our amendment will make the Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011 effective from 1 July and we will continue to protect Australian families from
this high-taxing and wasteful government which is completely out of touch with the hopes and aspirations of regional communities.

Mr KATTER (Kennedy) (19:31): In rising to speak to the Taxation of Alternative Fuels Legislation Amendment Bill 2011 tonight I sympathise very strongly with the arguments put by the opposition. This is one of those things where if you are piggy-in-the-middle you have some difficulty deciding which side of the fence you should be on, unlike the members of political parties in this place who mostly resemble ventriloquist dummies because they have not voted against their party machine on either side of the parliament to my knowledge as long as I have been in here. So you say, 'Did you agree to every single thing that was passed in here? Oh, of course you did. So you agreed with every single decision that your party made in here. Oh, of course you did.' We now have a party that I belong to and our first resolution—and I have told people this—is that if in a year there are not 20 separate votes then we have failed in what we are trying to achieve. Sometimes while representing the interests of my electorate I find myself in great sympathy with the one of the senators from South Australia, Senator Xenophon, on almost every issue. But there are times when we disagree and we vote separately and differently. That is healthy and that is a democracy.

There is only Australia now left as one that has a two-party system. You may well ask, Madam Deputy Speaker, 'What about America?' Well, America does not vote along party lines. I followed the vote very closely on the ethanol bill in the United States: the oil-producing states voted almost to a man against the ethanol bill and all the rest of the senators throughout the United States, regardless of their party affiliations, voted differently. Peter Reith, who is running for the presidency of the Liberal Party, makes the point that we should have primaries. He is dead right, of course. The reason that under the American system they are answerable to the people is that you have to go before a primary. It is not just your little coterie of party faithful that you have to keep happy; you have to keep every single registered labour voter in your electorate so. They have got to vote for you in a primary. You are answerable to the people in your electorate and that is why the American system results in people voting along constituency lines and not along party lines. I still think the two-party system is unhealthy. In all the other countries in the world, taking France, Germany, even England now and even New Zealand now, all have multiparty systems. The only country without a multiparty system is ours—and, please, God, that will change soon.

Let me return to the bill specifically and say that once again Australia is out of step. Every other country subsidises and protects their industries. The OECD figures are 41 per cent support levels for agriculture in the OECD countries and four per cent in Australia. We get preached to continuously by both sides of this parliament about level playing fields. Well, you delivered to the agriculturalists in this country the most unlevel playing field that anyone could ever hope to play football on. One section is 40 metres up in the air and other one is down four metres lower, and then you expect us to compete! In addition to that it does not take into account the factor of ethanol. In the United States cattlemen can access very highly nutritious grain called dried distillers grain, which is a by-product of the ethanol industry. I do not have the figures here as to how much they produce in the United States but I know that they exported nine million tonnes last year. So five million people on Earth were fed by some dried distillers grain
that happened to be left over. I do not know how many millions, if not tens of millions, of people were fed in the United States.

In this august body called the Parliament of Australia on both sides of this House we have had great spokesmen for the oil companies and we have had great spokesmen for Woolworths and Coles, who are in bed together now as they own the bowser throughout Australia. We cannot get ethanol into bowser because we are not oil producers; we are ethanol producers. So we cannot get into those bowser. Dick Honan, a very great Australian in every single sense of the word, created an industry out of absolutely nothing. Every single gyprock panel in every single home in Australia is produced partly with product out of this plant. He was brought to the very point of crashing by the actions of both sides of this parliament. Thank goodness we have five crossbenchers. The Australian people put five crossbenchers in here, and those people were able to lever a situation in which we are now withdrawing from the destruction of the Australian ethanol industry. We had 75 megalitres of production in Australia. The people on my right smashed it down to 24, and now they have the hide to come in here and tell us they are in favour of ethanol. I hope they are. If the leopard has changed its spots I will be the first to be on public record and congratulate them. I thank very sincerely their leader, Tony Abbott, for giving a tick to our 20 points. Our second point was on ethanol.

Madam Deputy Speaker, let me quote the former Premier of New South Wales, Mr Iemma. He said, 'We are introducing ethanol because I am not going to stand by and watch people die in Sydney who do not have to die.' In America ethanol was introduced not to help their farmers and not to secure their oil supply line; it was introduced as an air quality control act because when the findings of health studies in California became public it became an absolutely unassailable fact of life that vehicle emissions were killing more people than motor vehicle accidents in California. That is an actual quote from the head of the AMA in Australia. The head of the air quality control council of Australia, Dr Tom Beer, from CSIRO, said exactly the same thing. How come neither side of this parliament has done it yet?

Maybe in the forthcoming weeks the opposition will do it with the support of the crossbenchers. If they do, the people of Australia now, and in future generations, will thank them (a) for saving lives and (b) for bringing down the price of petrol. As I have said in this House a hundred times: do not argue about how much it is going to cost; just get on an aeroplane and go to Brazil and fill your motor car up. I had never been out of Australia before and I will never go again, but I went over to do an ethanol tour. I really went over just to bring back a photograph of me filling my motor car up in Sao Paulo for 74c a litre. I then went to Minnesota, or vice versa, and filled my car up for 84c a litre. I came back to Australia and filled my motor car up for $1.39 a litre. Firstly, we save lives; secondly, we bring down the price of petrol; and, thirdly, we feed the world.

Let me just come back to that for one moment, Madam Deputy Speaker. When you extract starch from grain you are left with what is called dried distillers grain. Distillers grain has the same calorific grain as ordinary grain but is three times more nutritious. The Americans are killing us in the cattle industry because they have accessed this supercheap, supernutritious grain. The Brazilians are killing us in the sugar industry because they make so much money out of the ethanol side of their cane industry that they can subsidise the sugar side of the industry. Their mills produce half ethanol
and half sugar. They can subsidise from the petrol side or the ethanol side. Ethanol rescues three of our agricultural industries destroyed by this parliament with their ridiculous high Australian dollar and with their ridiculous level playing field, which is the most unlevel playing field in human history.

The fourth issue is the supply of oil. It is fascinating for me that the minister for resources came into this place continuously giving speeches about how we are running out of petrol. I suspect that a few people from the gas industry have been in to see him, because suddenly we have seen a big change of heart. He has switched from saying that the great problem in Australia is that we have got a deficiency of oil to saying that we really do not, because we have got gas. Go and put a gun to the head of every motorist in Australia. Gas has been half the price of petrol and people still will not convert to gas. We can say all we like that there is a benefit in gas—and there is; I do not deny it—but we cannot force the Australian motorist to take gas if he refuses to. We can with ethanol; that is as simple as winking. We said, 'Take the lead out of petrol' and they took the lead out of petrol because people were dying from lead. Now we are saying, 'Put ethanol in because people are dying on account of the carcinogens that are in, and come out of, the petrol tank.' We are quite entitled to say, 'Now you're going to put some ethanol in because we don't like Australians dying so that you can get rich, Mr Oil Company. We don't like that.' And, I might add, the oil companies had a choice when the lead was taken out. They could raise the octane number by putting in ethanol or they could raise it by putting in MTBE. There is one hell of a difference between MTBE and ethanol. MTBE is carcinogenic. To quote Larry Johnson, the founder of the ethanol industry in America, 'Pour petrol into the river and fish die. Pour ethanol into the river and fish smile.' It is pure alcohol. Listerine, the mouthwash, is ethanol.

When I was 17 years of age—and it worries me greatly, with the live cattle issue at the present moment—I was handed a rifle and had to give three telephone numbers to my commanding officer. I was on 24-hour call-up to go and fight a war to secure our supply line of oil. Some nasty, cynical people said it was a war more to look after the interests of Royal Dutch Shell. I think we really do have to fight wars to protect our oil supply line. Since that time, we have fought a war almost every single year to secure our oil pipelines and our source of oil. I think to some degree that is one thing for which you do have to fight wars. I make this point in passing: if we are prepared to fight wars to secure our oil pipelines then maybe other people might get very upset when their food supply is cut off. Maybe that is true. I do not want to see my grandchildren have to shoulder a rifle like I had to as a kid and go off to fight a war. Thank goodness it blew over before I got up there. I was very, very lucky—luckier than my father and my uncles, who fought in the Second World War. One of my uncles died in Changi prison.

I have had great difficulty in deciding which way to vote on the first part of the bill before us tonight, but sometimes compromises have to be reached. Whilst people say that I am a very uncompromising person, I am not like that all the time. There are times when compromises have to be made, and this is probably one of those situations. We have not killed the ethanol industry but we need to fan it into life. Every single European country has biofuels legislation. America has biofuels legislation. Canada has biofuels legislation. Brazil has biofuels legislation. There is no country on earth that grows grain or sugarcane that does
not have biofuels legislation—even Europe, which cannot grow them, has biofuels legislation. *(Time expired)*

The **DEPUTY SPEAKER (Ms AE Burke):** I would like to thank the member for Kennedy for at least referring to the bill once. I do appreciate that. The question is that this bill be now read a second time. I call the member for Dunkley.

**Mr BILLSON** (Dunkley) (19:46): The bills before the chamber tonight deal with planned changes to taxation arrangements through excise tariffs on alternative fuels. I will pick up on the last bill, the Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011, to carry forward some of the contribution from the member for Kennedy. The opposition supports the Energy Grants (Cleaner Fuels) Scheme Amendment Bill. This bill is an important measure in that it effectively grants back to Australian producers the taxes that would otherwise be levied on ethanol. This is an important measure, one which talks about biodiesel and renewable diesel producers and importers. I stand corrected on my misspeak on ethanol. The bill basically says that, where people are impacted by tax payable that is imposed on those fuels, they are rebated. It becomes very important because, without this measure, further development of that as an alternative transport fuel could well be wiped out by overseas production coming in and taking over all the increased demand for biodiesel and the like.

The bill before us seeks to extend the current grants scheme which sunsets on 30 June 2011. Unless that bill is passed, producers of fuels eligible under the Energy Grants (Cleaner Fuels) Scheme would be exposed to a full 38.143c per litre fuel tax that is payable on conventional diesel. It would have adverse environmental and commercial impacts—and that is quite self-evident. The coalition is keen to see that grants program continue.

What we are less thrilled about are the other bills. They seek to impose new excises on LPG and CNG. These arrangements are quite troubling for the opposition, and they are troubling for a number of reasons. One is that, at a time of cost-of-living pressures on Australian families, the last thing they need is increased fuel costs. They are already staring at the implications of the great big carbon tax that will make transport fuels more expensive. What is not needed is to further increase those costs on Australian families and particularly on Australian small businesses.

It might come as a surprise to you, Madam Deputy Speaker, that it is now over 12 years ago that I first spoke in this chamber about the virtues of LPG. I was trying to highlight to the parliament and to the Australian public that we have here an abundant, cleaner transport fuel that is available now and offering not only cost savings for those that utilise it but also gains in terms of Australia's energy security, emissions and air quality. It was a fuel opportunity staring us in the face that ran into quite a number of obstacles over many years. It was over a decade ago that I stood in this chamber and waved around an LPG conversion unit. Not only did it come as quite a shock to the Speaker at the time that I would bring such a device into the chamber; it also came as a shock to the LPG industry. That converter was caked full of what looked like vegemite. It was actually phylates or impurities in the fuel system, and they were effectively undermining the benefits of LPG. At that time there was no fuel standard for LPG. Australian motorists were being dished up LPG that could have contained any mixture of propane and butane—a soup of different...
gaseous fuels that were expected to run in modern machinery. To cope with that, we had some of the most robust converter technology you could find anywhere in the world.

I once said that a car could run on soup, because of the vast variety of fuel compositions with which Australian technology was being asked to function. What was needed was to take LPG seriously, and so over a dozen years ago my campaign started to see fuel quality standards introduced for LPG. Fuel quality standards gave the LPG technology development and conversion industry some consistent fuel against which they could develop improved technology to even further enhance the efficiency, the emissions benefits and also the air quality advantages of LPG. One of the things that I am pleased to say that the Howard government did was to support the conversion of over a quarter of million vehicles through grant programs encouraging people to take up LPG. It also saw LPG being recognised for its strengths as an alternative fuel, one in abundance in Australia and that had advantages which were not purely about cost, although the cost was important. I come back to cost because so many of the early adopters of LPG technology were enchanted by the costs of LPG. I remember that some years ago when petrol was around 52c to 53c a litre—and this is some time ago—you would get LPG in the teen cents. This was very attractive, particularly for lower income people and retirees wanting to be very careful about their day-to-day budget and being prepared to invest in a conversion to see their longer term cost of living eased somewhat by being able to access LPG.

At that time LPG was seen as a cheap waste product, often distilled out of other forms of fuel production. It has taken some time for the Australian public and the industry to get on the front foot and say this is really now an attractive, cleaner, abundantly available fuel that should be in a greater proportion of our transport fleet. In fact, our great state of Victoria accounts for about half of all vehicles operating on LPG. There are some 18,000 taxicabs running on LPG. I use that as a segue into why I am so keen to join with the opposition in opposing the first of the three bills that would effectively push up the cost of LPG and not only the cost of living for Australian households using LPG but also the cost for the tens of thousands of small businesses that are utilising LPG as a transport fuel. There are 18,000 taxicabs. You would see the cost of transport increase. Many tradespersons' vehicles and delivery vans operate right across the country on LPG.

You would start to see transport costs rise for small businesses, tradespeople and even major fleets—Sensis, RACV, NRMA, Repco, Fleet SA, the Australian Federal Police, just to name a few. All would have their operating costs increased and for what purpose? Increased because this government cannot balance its books. This is nothing more than a grubby tax grab increasing revenue to the Commonwealth at a time when the Prime Minister and the Labor government just cannot help themselves. They just cannot help themselves: they have to keep spending, spending and spending and looking for new ways to tax the Australian public and then try to concoct some kind of policy argument after the event to mask what is ultimately a simple tax grab.

We have a problem here in the parliament in that we have a policy that runs against our ambitions to improve our fuel security, runs against our ambitions to relieve our emissions and runs against our ambitions to improve air quality. I have seen the Minister for Infrastructure and Transport, Mr Albanese, talking about Euro 6 and 7 diesel
standards or even 5 and 6 being introduced to improve the air quality in our cities and here we have an answer to all of those challenges staring us in the face. Rather than encourage the uptake of it, the government wants to make it more expensive and it makes it more expensive at a time when this is the least opportune occasion to do it.

There is a $3½ billion LPG industry out there anticipating significant growth opportunities into the future, largely powered by the coalition's 2006 initiative. There are 10,000 people operating in that sector. I pay tribute to all of those people in the LPG industry including dear friends who go back over a dozen years—Tammy Claster and the like—who I have worked with side by side as we have together run this argument over many years. I pay tribute to Jim Richards, who is retiring. Many of you in this chamber would realise he effectively ran the Australian Alternative Automotive Fuel Registration Board, the certification body to make sure conversions were being undertaken, issuing plates to people converting their vehicles, to meet the highest possible standards in Australia. While all that good work is going on, we have a government that actually wants to tax the fuel, make it more expensive and make it less attractive at precisely the time when we should be encouraging its uptake. Might I say, boy haven't things changed.

I have seen the member for Wills, perhaps sensing a freedom in his career trajectory, having a lot to say about Labor policy on a range of things whether it be population, live animal exports or issues around refugees. He did have a lot to say many years ago about LPG but that seems to be have drained away. At that time he was attacking the coalition for trying to support the LPG industry. You know what the attack was, Madam Deputy Speaker? This was the attack when the coalition stopped the automatic six-monthly indexation of petrol taxes. What we used to have in this country every six months was fuel excise creep up. It followed inflation, introduced by Paul Keating as a cunning plan to ratchet up revenues without having to come through this parliament. The Howard government said this was just adding to cost-of-living pressures at a time when oil costs were up and transport costs were rising—and for outer metropolitan communities like mine, who could spend 2½ to three hours a day commuting to their economic opportunity, these were matters of serious concern.

What was the thesis of the member for Wills? The thesis of the member for Wills was to abandon the six-monthly indexation. For those who are interested, go back to 7 June 2001 and a stirring speech trying to defend automatic tax increases on transport fuels. His argument was by not automatically increasing transport fuels—petrol primarily—every six months we were undermining LPG. That was his thesis. We were undermining LPG and his argument was you have to keep pushing up the price of everything else to give LPG a chance. I wonder whether that conviction holds true.

He may well come into this chamber and say, in a moment of profound consciousness, that if that thesis held true on 7 June 2001 perhaps on 14 June 2011—one week and 10 years later—it may still hold true. He might still today recognise that pushing up the cost of LPG is going to be undermining the LPG industry. If pushing up petrol prices more to make LPG comparatively cheaper was a bad thing a decade ago, pushing up LPG prices by an excise that is not justified and is not necessary to make its differential with petrol less has to be catastrophic to be the LPG industry if we are to believe the thesis of the member for Wills. My view is that the LPG industry is resilient because there is so much going in its favour. I do not think price
fluctuations alone are a factor but I do know that pushing a new excise onto LPG can be anything but helpful. We have a government that has been funding incentives for the conversion of vehicles, yet it does not walk the walk itself. I have raised in this parliament before my ambition of supporting the LPG industry by having the taxpayer funded car that I am provided with fuelled by LPG. How extraordinary that the fleet purchase policies of the Commonwealth do not even facilitate the conversion and adoption of LPG technology at the same time the taxpayer is encouraging others to undertake such a conversion.

I urge the parliament to look carefully at these bills. I urge the parliament to listen to the advice of ACAPMA, the Australian Convenience and Petroleum Marketers Association, which points to a desperate need for a coherent transport energy plan for Australia. I urge the parliament to consider that the burden that is already on small- to medium-sized businesses at a time of difficult trading conditions will be made worse by the measures in this bill. I urge the parliament to take into account that this is a retrograde step in what we should all be doing—that is, encouraging the uptake of cleaner and abundantly available fuel in Australia. It would strengthen our energy security, improve our environmental emissions and improve the particulates and air quality arrangements around our capital cities. We should be doing all we can to support that.

In closing, I salute Jim Richards. Jim has been a tireless advocate for LPG most of his working life. He is a mature and wise man whose counsel I have valued for well over a decade. He will be retiring in the coming weeks. He has been a wonderful asset for LPG and its uptake. Perhaps that is why half of all the vehicles are in Victoria. I say to Jim and his lovely wife, Jan: enjoy the retirement; I am sure you will stay committed to LPG. I will stay committed to LPG. One of the ways I display that commitment is joining with the opposition to oppose this tax grab by a greedy Gillard Labor government, which is desperately looking for more revenue by imposing a new excise on LPG that is not justified. It runs against government policy and it is a bad idea. (Time expired)

Mr BANDT (Melbourne) (20:01): The Greens have some concerns with the Taxation of Alternative Fuels Legislation Amendment Bill 2011, which I will briefly outline. They will be taken up more fully by Senator Christine Milne when this bill is in the other place. In short, whilst we support the use and development of second and third generation biofuels, we do have some concern about first generation biofuels. It is the same concern that is shared by the Productivity Commission, namely that their use and cultivation can tend to displace food crops and that poses a threat to agricultural land, which in an era of concerns about food security is something that ought to be foremost in any government decision making. Of course, that then has a consequent effect on inflation and food prices and so on.

We are pleased that, in the course of discussions with the government about this bill and about the matter generally, the government has said it will be taking steps towards looking at the accreditation process to ensure that it assesses the full cycle of production of these second and third generation fuels. It is not enough to simply measure it on the basis of emissions alone; one needs to look at the full production cycle. What we do support in this bill is that it is, in a sense, a step on what is unfortunately a long road—it should be a much shorter road—towards looking at fuel excise not in terms of a simple revenue grab
but in terms of the embedded energy and carbon and the consequent pollution that comes out of particular fuels. What we should have, on any rational assessment, is a system of fuel excise that is graded ultimately on the basis of the level of carbon and the level of embedded energy in a fuel so that consumers are then able to make a choice about choosing between different types of fuels knowing that there is a cost and price incentive to move towards more environmentally friendly and less polluting fuels. So we are pleased that this is a step towards that and that it is going to be recognised in the treatment of the various fuels covered by the bills, but ultimately we do need to move towards a system where consumers are able to look at the various fuels and understand transparently what taxation and excise treatment there is for particular kinds of fuel and make their decisions accordingly. We will be supporting this bill to facilitate its passage through the House, but as I indicated at the start, my colleague Senator Christine Milne will have more to say when this bill reaches the other place.

Mr HAASE (Durack) (20:04): I am quite surprised that the Greens member for Melbourne had not more to say about the Taxation of Alternative Fuels Legislation Amendment Bill 2011. I would have thought that those who pursued the green style of life and embraced the green philosophy would have had a great deal to be critical of in this particular bill, because LPG is a much cleaner fuel that creates far less pollution than petrol. Quite frankly, I am a petrol user, but I recognise that LPG is an advance on polluting petrol in this era of embracing nonpollutants and cleaning up the globe. The member for Melbourne, I would have thought, would have waxed lyrical for a very long time indeed about the benefits of LPG and about making LPG a cheaper fuel choice than petrol. This government's intention to increase the price of this cheaper, cleaner, less polluting fuel by 12.5c per litre seems to fly in the face of the whole philosophy about cleaning up the globe and saving it from damnation caused by CO$_2$ and other greenhouse gasses. So I am caught almost unawares—never absolutely, but almost unawares.

I stand this evening primarily concerned with the aspect of the transport industry energy source of the future. That will possibly be compressed natural gas. It will hopefully be more exotic and scientifically advanced fuel cells using hydrogen, but in the meantime CNG, or compressed natural gas, ticks a lot of boxes. The downside of it at this stage is that we do not have the infrastructure across this nation necessary to allow the users of CNG to access that product as they would like to.

We do need, in our fuel usage, to consider the pollutants as a result. When one is faced with a government with a publicised philosophy about reducing greenhouse gases, it is very odd—indeed, one finds it alarming—that they would add costs to a product that reduces pollution and allow more polluting substances to be at a relatively lesser cost. It beggars belief that a government that is so populist would do such a thing. Of course, often their defence of their decision is that it was a policy of the Howard government that we would increase the fuel tax on LPG. I might clear the record by saying that that was one of many strategies out of a whole mosaic that would have rationalised improved revenue collection in a very different era than we find ourselves in today. Today, families are hurting. Families are facing increases on all facets. There are increases in the cost of electricity at home. They are facing increases in the cost of petrol at the bowser. They are facing numerous increases in addition to the
great unnecessary increases in their mortgage costs as a result of this government's excessive spending. Why on earth would they want to be faced with the cost of an increased price of LPG?

I say it again: why would a government that almost prostitutes itself in appeasing the public—

The DEPUTY SPEAKER (Ms AE Burke): The member for Durack is straying into territory that I am not going to tolerate.

Mr HAASE: I am sure it is not an area that you have ever participated in, Madam Deputy Speaker.

The DEPUTY SPEAKER: No, thank you! I think the terminology is unacceptable.

Mr HAASE: Thank you, Madam Deputy Speaker. I accept your admonition. I shall not stray from the point ever again.

This government has made a great name for itself in being very populist in its approach to the reduction of global greenhouse gases. It is a well-known fact not disputed in the least that LPG is an energy source that is less polluting than petrol. So why on earth would this government contemplate putting a 12.5c per litre additional tax on LPG? Why would this government contemplate adding innumerable dollars to the cost of running a cab that will be passed on to consumers, often those consumers who cannot afford a car? We are not talking about the high rollers of our society. We are talking about the elderly who need to grab a cab for medical attention, or the young who are consistently, perhaps irresponsibly, grabbing a cab late at night when they could have arranged for a driver or skipper but did not. They put up for the cost of a cab fare. And the cost of a cab fare is going to go up because this government, frankly, is simply making another grab at any available revenue.

$135 million a day—that is inconceivable, surely, for the common person—is being borrowed by this government just to attend to its spending regime. To get the revenue back to afford that, they have to hit those who are least capable of paying the additional 12.5c per litre of LPG which will hit the pockets of the users of cabs, which were converted to LPG because there was a subsidy provided by the Howard government. All of those people are going to ask, 'Why is this government doing this?' It is a legitimate question. Surely if debate is worth anything in this place it is to try to convince the lawmakers, the government at present, that sometimes their decisions and the bills they introduce into this House are unacceptable to real Australians. Real Australians will question once again why this government is doing such a thing. They certainly questioned the ceiling insulation program. They questioned the program of wasting money on school halls. They question the reason for introducing another tax to hit the only industry in this country that is making a quid these days—the mining industry. They certainly question this government's introduction of a carbon tax. Now, flying in the face of that very same tax, we have this imposition on those users of LPG. It makes no sense.

If this government has a conscience, if this House has a process, if there is any rationale residing still amongst the government benches, surely there will be a realisation that this bill ought be thrown out, that the revenue grab ought be forgone and that real Australians who are battling to survive and are having to catch cabs, amongst other things, ought get a break and ought not be hit for another 12.5c per litre. They should be given a fair go. For the first time in a long time, we are suffering an increased price in electricity, up 51 per cent; gas is up 30 per cent; water is up 46 per cent; education costs
are up 24 per cent; the cost of maintaining one's health is up 20 per cent; rent is up an average of 21 per cent across this country; and groceries are up an average of 14 per cent. Since mid-2009, interest rates have added $500 every month to mortgage repayments while wages have risen just seven per cent.

In this environment of increased costs upon those battling families, those of them who have chosen to take the subsidy to convert to LPG that was generously introduced by the Howard government are now going to be slugged an additional 12.5c. That is about a 20 per cent increase—a one-fifth increase in your motoring costs per week.

Quite frankly, if this government has a conscience and if this House process counts for anything, then the government will reconsider this bill. It will forgo the additional grab at revenue. It will hurt less the families of Australia that are already battling and chuck this bill out. Reverse the process and allow common sense to prevail.

You cannot run opposing arguments at the same time. You cannot say on the one hand, ‘We want to save the planet; little Australia with 22 million population is going to save the planet by increasing the use of less-polluting fuels and more energy-saving regimes,’ and at the same time stop people from using a less-polluting product. It is irrational, to say the least. It flies in the face of common sense and it is like a red rag to a bull to the Australian people. This government has absolutely lost the plot. I disagree with this bill.

Mr BALDWIN (Paterson) (20:17): Tonight I rise to speak on the Taxation of Alternative Fuels Legislation Amendment Bill 2011 and the Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011. My contribution to the debate tonight will be confined to three areas: first, that this legislation will do nothing but increase the cost of living because in essence it raises over $518½ million over the forward estimates; second, that the bill is bad for the environment because it is increasing the tax revenue on the cleanest form of combustible energy that we have; and, third, that the bill will destroy jobs and destroy an industry.

This Labor government has proposed new fuel taxation regimes which will destroy the Australian ethanol, biodiesel and LPG industries. The Gillard Labor government proposes to phase in by July 2015 a 25c per litre excise on ethanol, a 19.1c per litre excise on biodiesel, a 12½c per litre excise on LPG and a 26.13c per kilogram excise on LNG and CNG. The ethanol excise will initially be offset by a production grant but that grant will reduce to zero by 1 July 2020. Existing protection against cheap and subsidised ethanol imports will also be phased out. An industry that is very close to my own heart in my own electorate—the biodiesel industry—will receive no protection, even though an Australian customs dumping inquiry has found that subsidised biodiesel imports from the United States are damaging our industry and interim dumping securities have been imposed.

The Europeans have placed countervailing duties on US biodiesel, which receives a dollar a gallon subsidy from the US government. It is impossible for Australian producers to compete against the might of the US Treasury. The US ethanol industry is subsidised to the tune of $6 billion a year and the US also imposes a 54c per gallon tariff on imported ethanol. So much for a free trade agreement between Australia and the US. If the US and the Europeans are prepared to place duties on subsidised and
dumped fuels, why is the Australian industry being exposed to unfair competition?

This excise on LPG will increase the cost of the fuel by 12½c per litre. This is hypocrisy at its worst. This Labor government has said much about the need to reduce pollution. In fact, this government wants to introduce a carbon tax to reduce pollution but at the same time, with its vein of hypocrisy which knows no bounds, it is going to increase the cost by 20 per cent of LPG, the cleanest form of burning combustible fuel there is. It is a 12½c per litre increase in the cost of LPG.

Back in 2006, I happened to be sitting in the ministry room as the Parliamentary Secretary for Industry, Tourism and Resources when the Howard government decided, because the cost of fuel had hit over $1.60 per litre, that it needed to promote cheaper and alternative forms of fuel. So a subsidy program was put forward for people to convert to LPG. Most of that take-up was by tradies and by families who could not afford the cost of fuel. So here is what we have. We have this Labor government slapping families fair in the face with an increase in the cost of fuel. These people have invested in the conversion of their vehicles to LPG, with an expectation that the fuel would be cheaper.

Mr Shorten: It was your policy.

Mr BALDWIN: It was a policy that that was explored but it was not introduced as legislation. We are not like you, Minister—you say there will be no carbon tax and then you turn around and introduce one. Your hypocrisy knows no bounds. You want to tax carbon and now you want to tax cleaner fuel. Where does your hypocrisy end? There is a flow-on effect of this cost increase on the family home. For example, most taxis run on LPG. What you will be doing is increasing the cost of taxi fares. I am sure that your constituents out in Geelong will love you for increasing the cost of taxi fares.

Mr Shorten: Geelong?

Mr BALDWIN: You are Geelong, aren't you? Well, around that area—

The DEPUTY SPEAKER (Ms AE Burke): And, as you are also speaking through the chair, I certainly do not have any constituents in Geelong! I am referring to the use of the word 'you'.

Mr BALDWIN: I am sure, Madam Deputy Speaker, in your own constituency the people who use taxis will thank you very much for increasing taxi fares. Bus operators will also face higher costs through the increased cost of CNG. The New South Wales State Transit Authority operates over 400 CNG buses, and they have another 255 on order. The cost of operating them will now go up. Who will pay for that? It will be the consumers. What will happen? The cost of living will go up. This is another attack on the hip pocket. It will be very depressing for consumers to feel the member for Maribyrnong's hand slide straight into their pocket, reach into their wallet and take out this money. Over 283,000 vehicles have been converted to LPG under the government's scheme. The taxpayers have already subsidised the majority of those conversions. This $518 million tax grab will do nothing more than cover up the poor financial management of this Labor government.

My third point is that this tax will have a devastating effect on industry. Already businesses involved in the LPG conversion industry are shutting up shop. That is going to cost jobs. As this government introduces this tax, as this government looks at ways of getting out of supporting the LPG industry, jobs will disappear. I suppose that is the hallmark of this government. Already we have heard today of the thousands of jobs
that will go in the mining industry because of this government's carbon tax—they are not our words; they are the words of the Minister for Resources and Energy. We also heard in recent days of the 6,500 jobs that will go from tourism under this government's carbon tax. We just keep adding to it, on a daily basis.

This government has absolutely no understanding of what drives the economy. What drives the economy is jobs. The more jobs, the more money people have to spend, the more money flows through the community and therefore the greater benefit to all. What we are seeing from this government is a direct slap in the face to jobs. With this legislation, which I oppose, the government will seek to increase the cost of LPG by 20 per cent—12½c a litre. The minister sits there with a smile on his face as though this is some great achievement—driving up the cost of living for people.

Mr Shorten: It is just the hypocrisy that takes my breath away.

Mr BALDWIN: No, it is not hypocrisy; it is hipocrisy because you are taking the cash out of their pocket.

Mr Shorten: It's not out of your pocket, Bob.

Mr BALDWIN: No, I do not have an LPG vehicle but, let me tell you, a lot of my constituents do. A lot of the taxis in my area run on LPG, and the buses in my electorate operate on CNG. They will all be taxed directly because of your policies.

Mr Shorten: It was John Howard's policy.

Mr BALDWIN: It was not our policy; it was put forward but it was never ever—

The DEPUTY SPEAKER: The minister will stop interjecting and the member will stop responding to the interjections.

Mr BALDWIN: I am not responding, Madam Deputy Speaker; I am clearly stating the fact that the coalition has never introduced this as a bill. So, Minister, it is you who is using weasel words and looking for a cop-out as you slam those people out there with these increased costs. You are very proud of that, I can see—sitting there with a smile on your face. You are very proud to be impacting on the cost of living of average Australians. A lot of tradies, too, have converted their vehicles to LPG because it is a cheaper way of operating them. All of a sudden you are going to increase the transport costs of their business by 20 per cent. That will flow on to the cost of the labour that they supply, so the cost of tiling, the cost of building houses and the cost of plumbing will go up—and you, Minister, will be the person directly responsible. That must make you feel so good, as the person who once stood up for the workers and working families. Here you are, prepared to slag them and slag them.

The DEPUTY SPEAKER: The member will return to the legislation.

Mr BALDWIN: Madam Deputy Speaker, with all due respect, I am talking about the legislation. This legislation is about the increases in the excise levies on LPG and other fuels and therefore the flow-on effect directly for individuals and particularly those who use LPG—and taxis are one of the greatest users of LPG so, with all due respect, I am addressing the legislation. I will be opposing the legislation. If the minister had one ounce of integrity and no hypocrisy, he would be withdrawing this legislation—he cannot be talking about reducing pollution by imposing a tax and then be increasing a tax on the fuel that produces the least amount of pollution.

Mr RAMSEY (Grey) (20:29): I rise to address the Taxation of Alternative Fuels
Legislation Amendment Bill 2011 and accompanying bills. There are a number of proposals in these bills, but the most striking is the increased tax on LPG. This is a very confusing message that the government are sending to the Australian public on this issue, and it is associated with many confusing messages that the government are sending to the public. The Australian public is really struggling with the consistency. There was a time when the government in the last parliament wanted a Pacific common market but then they did not. They wanted Grocery Watch but then they did not. They wanted to totally take over the health system and now we do not really know what they want to do. I am not sure that they know either, but we can be absolutely certain that they are not taking over the health system in Australia. They wanted to put a tax on all mines but then they did not; they only wanted to put a tax on iron ore and coalmines. Even though we have seen a draft bill, we are still not too sure about what they want to do, but it certainly has not been a consistent line.

There was a time when the government were going to build us a national broadband network for $4½ billion of taxpayers' money but now they are planning to spend $50 billion of taxpayers' money on the NBN. There was a time when they wanted to be soft and cuddly to asylum seekers but now apparently they do not—in fact, they want to send them to Malaysia. That is a pretty confusing message. There was a time when the government were in favour of an ETS but then they were not. It is approaching the 12-month anniversary of the night of the long knives and the minister at the table would well remember that night. In fact, I saw his staff at the front of his office taking a photo of his name because they knew he would be shifting after the night of the long knives. It was a bit embarrassing when I caught them in the corridor.

Mr Bradbury: I rise on a point of order, Mr Deputy Speaker. The member has not even made the slightest effort to try to address the substance of the bills. The matters are of no relevance to the bill and I draw your attention to that.

The DEPUTY SPEAKER (Hon. Peter Slipper): There is no point of order. I call the honourable member to continue speaking.

Mr RAMSEY: At a time when the government are trying to introduce a carbon tax that will stop Australians emitting so much CO₂, they are going to increase the tax on one of the products that does precisely that. It is pretty hard to follow the logic, but it does fit with the track record of the government.

In the last four years of this government, and the last two years of the previous government, the Australian taxpayer has pumped a bit more than half a billion dollars into LPG conversions. Now the government, having invested that half a billion dollars of taxpayers' money in LPG conversions to make for a cleaner Australia, are going to ramp up the costs for those who have the LPG conversions by 12½c or 20 per cent and discourage its use. There is another correlation here with the government's mismanagement of various things in the economy, and this decision will probably end up totally emasculating another industry through clumsy, short-sighted—

Government members interjecting—

Mr RAMSEY: Fair enough, they might challenge me, but let us think back about the home insulation industry. Three years ago it was a vibrant industry. I knew people who were in the industry and making a good go of it, but now those businesses are on their knees as a result of government mishandling
The latest knee-jerk reaction concerns the live cattle trade, and there will be other times in this House to debate that issue. But, in short, the ban on the trade will do damage to our international relationship with Indonesia, including with the workers at the good sites who will be unemployed. Indonesian feedlots operating at best practice will be out of business. Then there are threats from things like foot-and-mouth disease coming into Australia. There are 700 Indigenous workers in Australia whose jobs are under threat, along with the mustering companies that have had to park their helicopters. I can go on and on and on—

The DEPUTY SPEAKER: The honourable member for Grey ought not to go on and on and on because we are talking about Taxation of Alternative Fuels Legislation Amendment Bill 2011.

Mr RAMSEY: Of course we are, and I am concerned about the government's handling of the impact on the industries that are installing LPG. In that case, I will leave alone the rooftop solar installers. Hundreds of companies have built an industry around installing LPG conversions, and we are given to believe that three in Victoria have already closed shop. The industry would have thought it was on solid ground when making its investment decisions. It would have thought: 'Australia is looking for a cleaner future and for a lower CO\textsubscript{2} emissions future. We might invest a bit of money in a low-CO\textsubscript{2} alternative. We will invest some money in gas and clean up the nation's cars.' You would have thought it was a rolled gold investment, but things have changed now and it is not a rolled gold investment. The government is planning to change the riding rules and that decision is already impacting on those industries.

On top of that, and as previous speakers have pointed out, this decision will impact on families. It is my experience, and to my knowledge there is no empirical evidence to back this up, that those who have LPG gas conversions are more likely than not to come from a lower income group. Apart from the taxi industry and those people in business, there are many ordinary Australians who choose LPG as a low-cost alternative. Many are running pretty old cars. I often run into people who are touring around Australia and pulling a caravan who say: 'This is great because I can do it on LPG. I am saving a few bucks as I go around.' I think those Australians will be very angry about this decision. They have already decided this is their low-cost alternative and feel pretty good about it because they were making the environment a bit better as well.

The information I received about South Australia shows that we are the second highest per capita adopter of LPG technology under the government programs. In fact, one in 44 individuals made the decision to access the government program to convert their vehicles to LPG—just behind Victoria where one in 39 accessed the program. In South Australia, almost 36,000 vehicles have been converted under this scheme. You would think we should continue to encourage the adoption of LPG, but if this legislation is passed it will mark a move in the opposite direction. You can understand why a government may want to phase out the subsidies that go with the installation of LPG equipment, but to undercut the guiding mechanism that allowed it onto the market at a cheaper rate seems nonsensical.

More than just small consumers will be affected; 90 per cent of Australian taxis use LPG, as do many buses. Those people who use the buses and taxis are not often the people who own the Mercs and the Audis;
they are not often people at the top end of the income stream. The people who use public transport, by and large, are normal workers and those on lower incomes. This tax grab will impact on their cost of living because bus fares and taxi fares will have to rise. And it comes at a time when there are incredible cost-of-living pressures around Australia. In my own state, and probably in the rest of Australia as well, the cost of water will double in the next two years. That was announced in the recent state budget. Electricity is likely to double over the next five years. I think those figures were compiled before factoring in a carbon tax. Council rates will typically rise around 10 to 12 per cent this year, and the cost of fresh food is rising quickly. And now there will be a 20 per cent tax grab on the fuel of choice for a significant portion of the population. This is a new tax the Australian public have not been consulted about. We well remember the election of this government as fiscal conservatives and the promise of no new taxes. Since then we have had alcopops, proposals for mining taxes, flood levies and talk again of a carbon tax. These are not little taxes; they are big ones that affect the price of everything. It is not a bad list, but just imagine if the Labor Party were a party of high taxes—heaven forbid!

I have repeatedly said that whatever we do about CO₂, whether it be a carbon tax, an ETS, direct action or another scheme, or a combination of all those, it will achieve nothing unless there is a change of behaviour. If an $11 billion tax to redistribute wealth does not change behaviour as far as CO₂ emissions go, it will achieve nothing. But a tax on LPG will change behaviour; however, it will change behaviour in the wrong way. If we look at these things in the broad sense of changing behaviour, you can put them into three categories. One is where an industry can change and you ramp up the cost of CO₂ emissions until they reach the point where they say, 'It will be better for us to change our behaviour.' In the case of coal electricity, it has been mooted that that point might be $60 a tonne. On the other hand, you may have industries, as in my electorate at Port Pirie where there is a lead smelter and at Whyalla where there is a steel mill, which cannot change their behaviour because the physical act of making these products includes a CO₂ cost. In the case of car fuel, you can change behaviour, but if you put a tax on the cleaner alternative motorists will revert to a product which will put more CO₂ into the atmosphere.

The government would say that this is part of running a responsible budget, that they must make savings and that the half a billion dollar tax that they will raise from LPG is important to the budget. Fair enough, they should run responsible budgets. But there will be a $50 billion deficit this year and a $22 billion deficit next year, so the government hit motorists up for half a billion. How did we get to this stage? If it had not been for the government's chronic mismanagement in the first place with the sorts of schemes already mentioned—and I will not run through them again; I will not test your patience, Deputy Speaker Slipper—they would not need this half a billion dollars.

There are four bills in this package of legislation and the government have presented them as a group. We get a little bit of the good and the great big slab of the bad at the same time. The good are the bills that preserve the taxation treatment of renewable fuels and the bad is the targeting of the LPG industry with a 20 per cent increase in tax for motorists.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services
and Superannuation) (20:42): I would like to acknowledge all the members who participated in this debate. Even if I did not agree with all of the contributions of those opposite, I do not doubt the sincerity of their views. The taxation of alternative fuels bills that we have debated today propose to bring liquefied petroleum gas, liquefied natural gas and compressed natural gas used for transport purposes into the fuel taxation regime and make them subject to excise duty or excise equivalent customs duty. The tax rates for these fuels are based on the energy content of the fuels and are discounted by 50 per cent to reflect the potential environmental, regional development and fuel security benefits of their use. The changes are phased in over a transition period of five years to allow affected parties time to adjust to the changes.

I should also acknowledge the good policy work done by the coalition government when they were in government of flagging the intention to include alternative fuels in the excise system in the 2003 budget and the 2004 budget, and any number of public statements since. These bills will finish the journey commenced by the coalition, commenced by former Prime Minister Howard and former Treasurer Costello, concerning the taxation arrangements for alternative fuels. They will also ensure that the overtaxation of the biofuels that would result from 1 July 2011 under the legislation put in place by the Howard government does not occur. The key objectives of this policy are exactly the same as in 2003 when the Howard government put them in the forward estimates and announced them publicly on any number of occasions throughout 2003. To remind some who have contributed and who have conveniently forgotten that this was coalition policy for the best part of seven years, these objectives are to introduce greater consistency in the taxation of fuels used for transport purposes, to provide certainty for industry and to phase in the new fuel tax arrangements while providing support to the alternative fuels industry in recognition of the potential environmental fuel security and regional development benefits that these industries can generate.

This is good policy. I understand from media reports, including in the *Sydney Morning Herald*, that a number of people in the coalition thought so as recently as a recent coalition party meeting. We know without doubt that Senator Minchin thinks it is a good policy. Despite all the rampant opportunism, populism and obstructionism, some opposite, I know, actually do have a bit of regard for good public policy or policy purity. Sadly, though, the Leader of the Opposition will take pragmatism every time. In other words: in whatever direction the prevailing political wind is blowing he will sail the opposition ship. It is an indictment of the Leader of the Opposition that he will not lead, will not follow and will not get out of the way of good policy.

While the government has not made any final decisions about the treatment of fuel in the carbon price arrangements, a principle of carbon pricing is to apply a price that reflects the emissions of different activities. The government is committed to addressing the relative emissions generated by these fuels as part of its consideration of arrangements for fuel under the carbon price. We are indebted to members of the crossbench, along with regional MPs and those most interested in carbon pricing, for helping to ensure that this commitment has been made. As industry has pointed out, LPG has the potential to deliver 13 per cent less in emissions than regular unleaded petrol. These bills, I know the member for Grey will be pleased to hear, deliver a full 50 per cent tax discount in recognition of the potential environmental and other benefits that LPG and other
gaseous fuels can deliver. We are taxing them at less than their carbon content.

I would add again that Australia has not gone it alone in proposing to apply taxation arrangements to LPG autogas—most countries in the OECD already apply fuel tax to LPG autogas. Even with the introduction of these tax arrangements, Australian LPG autogas prices will still be amongst the lowest in the OECD. Any attempt to delay passage of this good policy in these bills will add to ongoing industry uncertainty and undermine the potential for future investment in Australia's alternative fuels industry. The passage of these bills will remove this uncertainty and ensure that investment decisions can be made with certainty for the future. And so that I am not accused of plagiarism, I cite that that last sentence was drafted not by me, but by none other than Peter Costello when he was Treasurer. What he said in 2003 is still relevant today.

I will briefly outline the key elements of each bill in this legislative package. The Taxation of Alternative Fuels Legislation Amendment Bill 2011 deals with the taxation of LPG, CNG and LNG when used for transport purposes. It establishes simplified reporting and excise-licensing requirements for industry to make the transition to the excise system as smooth as possible. I am indebted to LPG Australia, who provided the understanding and the mechanism by which we can put the excise requirements. The Excise Tariff Amendment (Taxation of Alternative Fuels) Bill 2011 amends the Excise Tariff Act 1921 to set the excise rates applying to alternative fuels from 1 December 2011 and to calculate the duty payable on branded goods. The Customs Tariff Amendment (Taxation of Alternative Fuels) Bill 2011 amends the Customs Tariff Act 1995 to set the excise equivalent customs duty rates applying to alternative fuels from 1 December 2011. The Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011 extends the operations of the existing provisions of the Energy Grants (Cleaner Fuels Scheme) Act 2004.

The bills reflect the results of widespread consultation and negotiations with members of parliament, including crossbench members, and industry. Reflecting these discussions, the bills also extend the current taxation and grant arrangements for 10 years for ethanol, biodiesel, renewable diesel and methanol. After 30 June 2021 the taxation and grant settings for these fuels will be reviewed. These arrangements deliver long-term policy certainty for biofuels. They are supported by the Biofuels Association and will encourage a growing, sustainable Australian biofuels industry into the future. The opposition has claimed that these bills will be the death knell of the LPG industry and the taxi industry.

Mr Baldwin interjecting—

Mr SHORTEN: I find these comments a little bit rich, coming as they do from the coalition who put this tax in the forward estimates in the first place in 2003.

Mr Baldwin interjecting—

The DEPUTY SPEAKER (Hon. Peter Slipper): The honourable member for Paterson will remain silent.

Mr SHORTEN: The member for Paterson does not like hearing what his predecessors, when they were in government, said they were going to do. We are finishing the job. We are finishing the business that they did not. They put the propositions forward and we are finishing the business.

Mr Baldwin interjecting—

The DEPUTY SPEAKER: The honourable member for Paterson will not defy the chair. He will remain silent. He will
not say one word until this debate concludes, which might be difficult for him.

Mr SHORTEN: I also find it a bit rich as the facts do not support the assertion. LPG will continue to exhibit a significant price advantage over regular unleaded petrol. The effect on taxi fares of including LPG in the excise system depends on decisions by state and territory regulators. If the excise is passed on in full, the 2¼c per litre excise that would apply from 1 December 2011 would add approximately 3.5c to the average metro taxi trip fare. When fully phased in, the final excise of 12½c per litre from 1 July 2015 would mean approximately 19c for the average taxi trip fare if passed on in full.

It should also be recognised that the cost of LPG, including excise that will apply, can be claimed as an income tax deduction by taxi operators and other business operators. This again reduces the price impact of the new excise arrangements for LPG. I also believe it is important to recognise that the impact of the LPG changes on the Tasmanian taxi industry will not be as dramatic as has been suggested. Australian Taxi Industry Association data shows that only 28 in every hundred taxis in Tasmania use LPG fuel, so, for the other 72 in every hundred of the Tasmanian taxi fleet that use other fuels, there will be no impact. More generally, LPG is cheaper and more cost-effective than petrol with, on average, a saving of around 37 per cent, or $7.44 per 100 kilometres driven. On 1 December 2011, when the excise is introduced, LPG will still have savings of around 35 per cent, or $6.94 per 100 kilometres driven. In July 2015, when fully phased in at 12½c per litre, LPG will still retain an average 25 per cent cost advantage over unleaded petrol. In addition, there will be a review after 1 July 2015, once the tax has been fully implemented, which will consider the impact of the tax, its interaction with the carbon price, and market demand for these fuels.

These bills recognise that it is appropriate that there be some contribution towards the maintenance and construction of our road system not just by the users of petrol and diesel through the excise system but also by users of other alternative fuels such as LPG. However, these bills also recognise that alternative fuels are potentially more environmentally attractive, have regional development benefits and improve Australia’s fuel security. These bills get the balance right.

I commend the bill to the House.

Question put:

That this bill be now read a second time.

The House divided. [20:57]

(The Speaker—Mr Harry Jenkins)

Ayes ...................... 72
Noes ...................... 71
Majority ................ 1

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitgibbon, JA
Georganas, S
Gray, G
Griffin, AP
Hayes, CP (teller)
Jones, SP
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Cheeseman, DL
Collins, JM
Crean, SF
D’Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN
Katter, RC
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O’Connor, BPJ

CHAMBER
AYES

O'Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Windsor, AHC

Owens, J
Perrett, GD
Ripoll, BF
Roxon, NL
Saffin, IA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakion, M

Zappia, A

PAIRS

Champion, ND
Gillard, JE
Rowland, MA

Randall, DJ
Neville, PC
Cobb, JK

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr SHORTEN: I move:
That this bill be now read a third time.
Question agreed to.

Bill read a third time.

DISTINGUISHED VISITORS

The SPEAKER (21:04): I inform the House that we have present in the gallery this evening Neil Robertson, the world snooker champion. On behalf of the House I extend to him a very warm welcome.

Honourable members: Hear, hear!

BILLS

Excise Tariff Amendment (Taxation of Alternative Fuels) Bill 2011

Second Reading

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

The House divided [21:09]

(The Speaker—Mr Harry Jenkins)

Ayes .......................... 72
Noes .......................... 71
Majority ...................... 1

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Brodie, G
Burke, AS
Byrne, AM
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA

Albanese, AN
Bird, SL
Bradbury, DJ
Butler, AE
Cheeseman, DL
Collins, JM
Crean, SF
D'Ath, YM
Elliott, MJ
**Question agreed to.**

**Bill read a second time.**

**Third Reading**

Mr SHORTEN: I move:

That this bill be now read a third time.

**Question agreed to.**

**Bill read a third time.**

---

**Customs Tariff Amendment (Taxation of Alternative Fuels) Bill 2011**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

The House divided. [21:12]

(The Speaker—Mr Harry Jenkins)

Ayes ....................... 72
Noes ....................... 71
Majority .................... 1

**AYS**

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AYES

Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Georganas, S
Gray, G
Griffin, AP
Hayes, CP (teller)
Jones, SP
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Windsor, AHC

NOES

O’Dowd, KD
Prentice, J
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ
Wyatt, KG

NOES

O’Dwyer, KM
Pyne, CM
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Slipper, PN
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wilkie, AD

PAIRS

Champion, ND
Gillard, JE
Rowland, MA
Randall, DJ
Neville, PC
Cobb, JK

Question agreed to.
Bill read a second time.

Third Reading

Mr SHORTEN: I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Energy Grants (Cleaner Fuels)
Scheme Amendment Bill 2011

Second Reading

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

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr IAN MACFARLANE (Groom)
(21:15): I move:
(1) Clause 2, page 1 (line 9) to page 2 (line 6),
omit subclauses (1) and (2), substitute:
This Act commences, or is taken to have commenced, on 30 June 2011.

In moving the amendment to this bill, the coalition is simply trying to give business and industry some certainty. I know those who sit opposite think certainty is delivered by imposing a tax, and they have just imposed a tax on some 800,000 vehicles, most of which are owned by families. The purpose of this amendment is to ensure that on 30 June 2011 the production assistance measures to the biodiesel industry——

Honourable members interjecting——

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! Would honourable members cease milling around in the chamber. Either leave the chamber or resume your respective seats.

Mr IAN MACFARLANE: It is because we cannot trust the government to even cross the road without falling over that we move this amendment. We need to ensure that the arrangements to support the biodiesel industry are continued without a break. There is no guarantee that this government can deliver this legislation in the Senate, and on that basis we move this amendment.

This amendment is to supply certainty to the biodiesel industry, unlike what has just been delivered to the LPG, CNG industry, which is a new tax. Because those who sit opposite——

Honourable members interjecting——

The DEPUTY SPEAKER: Order! There is too much audible conversation. As the Deputy Speaker, I cannot hear the honourable member for Groom. All members will remain silent.

Mr IAN MACFARLANE: Mr Deputy Speaker, I once said in this House that it is very difficult to hear yourself think, but I will not say that again. Those who sit opposite may think this is a jovial matter but the reality is that the biodiesel industry in Australia in particular has struggled under cost impediments, many of which are going to be accentuated when this government introduces a carbon tax. What we hope to do with this amendment is to give the industry some certainty at a time when industries Australia-wide face constant increases in their costs and constant increases in their taxes. For the biodiesel industry, these sorts of disruptions cannot be tolerated.

Had the government been responsible, they would not have linked these four bills together and tried to blackmail those people who did not want to introduce a tax on families. What they did was to link the four bills so that, if all four do not pass, royal assent is not granted. We do not gamble with people's lives. We do not gamble with their livelihoods.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (21:19): On consideration of the opposition's amendment I should report to the House the government's attitude is to reject the amendment. The purpose of the opposition's
amendment is to split the four bills of the alternative fuels package. What the opposition seek to do is to address the unintended consequences that they put into place when they were in government. If we do not pass this law there will be overtaxation of biofuels—but that was their idea and, as usual, it has been left to Labor to clean up the coalition mess. They have had enough time to fix the mistake that they put into law. The reality is that the member for Groom is channelling his inner U-boat commander, and he wants to torpedo the budget bottom line. This is despite the fact that the opposition know this is good policy.

I will not take up too much of the House's time but I could read to them press release after press release of Peter Costello and John Howard, but I will not. So the government does not support this opportunistic amendment.

Question put:

That the amendment (Mr Macfarlane's) be agreed to.

The House divided. [21.25]

(The Speaker—Mr Harry Jenkins)

Ayes....................71
Noes.....................72
Majority...............1

AYES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Katter, RC
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dwyer, KM
Pyne, CM
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Slipper, PN
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

NOES

Adams, DGH
Bandt, AP
Bowen, CE
Brodmann, G
Burke, AS
Byrne, AM
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Georganas, S
Gray, G
Griffin, AP
Hayes, CP (teller)
Jones, SP
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Roxon, NL
Saffin, JA
Sidebottom, PS

AYES

Laming, A
Macfarlane, IE
Markus, LE
Morrison, SJ
O'Dowd, KD
Prentice, J
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

Noes

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Cheeseman, DL
Collins, JM
Crean, SF
D'Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O' Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF

CHAMBER
Mr CHRISTENSEN (Dawson) (21:30): I rise tonight on behalf of many of my constituents in Dawson who have fallen victim to what could be one of the greatest financial scams in this country in our time. I represent my constituents in this matter, but I acknowledge the thousands of others in electorates around Australia who are also suffering. There are almost 10,000 individuals who invested their hard earned money in what appeared to be a sound investment—Prime Retirement and Aged Care Property Trust—but they were duped by smoke and mirrors. It seems Prime Trust wrote up the value of properties and distributed the capital gain to make it look like a profit. This is contrary to the entity's accounting policy of not distributing unrealised capital gain.

My constituents want to know how Prime Trust's constitution was changed to insert listing fees without consultation with unit holders. They want to know why almost $33 million was removed from the trust as a fee for listing on the stock exchange. They want to know why the owner of the responsible entity at the time, Mr Bill Lewski, received the benefit of that constitutional change. They want to know how the management rights to all the property under the control of Prime Retirement and Aged Care Property Trust came to be acquired by the same Bill Lewski. If they were sold, it did not show up in the income statement of the trust. If there was any transaction at all, it must have been small enough to be hidden under other income. My constituents want to know how those same management rights were then sold to Babcock and Brown Communities for $60 million. Somehow the management rights to all these properties went from being worth peanuts or nothing to being worth $60 million in the space of two months.

My constituents believe the answer lies somewhere in between those two transactions, and in the middle we find Bill Lewski. Lewski is in the middle of all these questions in fact. I have done some research on this grub, Lewski, and it makes for some very interesting reading. In the early 2000s, Lewski operated and promoted an unregistered managed investment scheme, which was later shut down by ASIC. The former chairman, Cedric Richard Palmer Beck, was a director of Westpoint Group, through which investors were defrauded of $300 million. Lewski's one-time business partner, Max Green, managed to scam $42 million out of innocent Australians before he wound up dead in a hotel room in Cambodia. These are the sharks that Lewski swam with,
but they were associations unknown to Prime Trust investors.

My constituents invested in Prime Trust for their own retirement and some were dependent on the income from this investment. Now they are watching their life savings drain away and no-one seems willing to stop it. More than 750 investors have formed the Prime Trust Action Group to launch a class action, hoping a court will award them the listing fee with interest of about $50 million, in addition to the $200 million in lost property value as a result of the management rights sale and $100 million in deferred management fees that seem to have just disappeared. That is a lot of money to be chasing, but it seems no-one has the money to chase it because these victims have lost their money. They are desperately trying to get a litigation funding company to start proceedings, but the problem is that the longer it takes, the less money there will be. Lewski and all the other crooks behind this swindle cannot be allowed to run off with the proceeds of their fraud.

I, and many other members of this parliament, have written to the Assistant Treasurer, requesting he ensure that ASIC takes this matter seriously. To date I have had no response to my correspondence to the Assistant Treasurer. On behalf of those MPs and the constituents they represent, and on behalf of the victims in my electorate of Dawson, I implore the government in the strongest terms possible to do whatever it takes to have these questions answered. I implore ASIC to do whatever it takes. The victims took this matter to ASIC and ASIC sat on their hands for 10 months before they even looked at it. The government needs to make ASIC aware of the extent of this problem. If ASIC cannot bring these people and this trust to account then what is the point of ASIC? Investigate this matter. Investigate these people. Answer these questions. If money is found to have been stolen then start the process to return that money while there is still some money to return, for the sake of all the investors.

Queensland Floods

Mr RIPOLL (Oxley) (21:35): I want to talk tonight about the issues of insurance and underinsurance and the way that impacts on people's lives, in particular those in flood zones. Those of us from Queensland have experienced quite devastating impacts. Some of the worst flood affected suburbs of Brisbane and Ipswich are actually in my electorate of Oxley. Places like Goodna were particularly hard hit, whether it be residential or commercial buildings, as were places like Jindalee and all the centenary suburbs, Westlake, Riverhills and Sumner, just to name a few. In all there were about 17 suburbs that were flood affected in my electorate. My office is still helping constituents who lost everything in the floods and who were without insurance or found that they were not covered at all for the floods. There are desperate people finding themselves in dire circumstances and situations which they were not prepared for. They thought they had paid for insurance and they thought they were covered, but in the end they were not.

We have all heard the stories of bad behaviour. There are also stories of good behaviour. There are stories of some insurance companies that actually did pay people out. While they are in the minority, there were some. Many people have taken to insurance companies, as has the government, in a range of areas and put the pressure on to make sure that they do the right thing, that they do not play with the technical or legal aspects of the policies, that they honour policies where those policies covered floods, and that people who paid for 10, 15 or 20 years for cover are paid out on it. Companies
who assessed and paid out claims quickly, allowing victims to get on with rebuilding their lives, should also be congratulated. Insurance companies received more than 120,000 claims and paid out more than $1 billion in the recent floods and cyclone. It is an enormous number of claims and an enormous amount of money, but that is what insurance is about. It is about making sure that you have cover for those bad times.

Statistics, though, show that in Australia we spend less on insurance relative to our wealth and population than many other industrialised nations. In fact, we are one of the lowest spending. As the Assistant Treasurer recently stated, if insurance products are fair and reasonable and people who can afford insurance choose not to take it out then that is their issue. But, if people cannot afford insurance and therefore they do not take it out, that is our problem. We ought to be looking much closer at the underinsurance issue in this country. We know that the most likely to be underinsured or to have no insurance at all are low-income earners. Many people in my electorate either could not afford the insurance or simply could not get the insurance. They are often the people who can afford the least to lose what it is they should be insured for. Unfortunately, flood waters do not recognise the income levels of their victims. The government is determined to act on the insurance problem highlighted by the floods. I think they really did centralise our focus and our thoughts on what natural disaster can mean, whether it is a flood, a fire or any other natural disaster, if you are not insured properly, whether that be underinsurance or no insurance at all.

We are proposing a plain English, easy-to-read key facts document to be included with all new policy documents that allows consumers to see at a glance what they are and are not covered for. People ought to understand at the primary level what it is they are covered for. The biggest issue and the greatest angst and level of anxiety faced by my constituents had to do with the fact that they thought and believed they were covered but then their policy said that they were not in technical terms.

We have just released this issues paper, and I think it is a good paper. It highlights some key stats and, in particular, that of the approximately 6.2 million homes in Australia some 400,000 may be exposed to some flood risk. Around 250,000 are at low risk, 150,000 are at high risk and 50,000 are at a very high risk of flooding. Currently there is little chance of a totally competitive market for medium- to high-risk properties, as many insurers may tend to price themselves out of this market. The issues paper also highlights two alternatives. One is to make flood cover automatic on all premiums and the other is to make flood cover automatic with an opt-out provision for consumers. Both these options would lead to increased flood insurance coverage. On face value, there would also be significant premium increases for customers.

The issues paper also identifies that some sort of discount is needed for those at high risk. We need to be able to balance those competing interests between those who can afford insurance and those who cannot and make sure that people who need to be covered can actually afford to be covered. It also suggests some examples of how to fund these discounts. With some sort of discount for those at high risk then premium increases will only make the problem even worse. People who need flood cover the most often cannot take it out simply because they just cannot afford it. It is important that we look closely at the floods and the recent natural disasters in Queensland and across the country and make some determinations as to the best way forward. (Time expired)
Education

Ms O'DWYER (Higgins) (21:40): The author GK Chesterton once said:

Education is simply the soul of a society as it passes from one generation to another. It seems that, when it comes to the Labor government, education is simply one big mess as it passes from one minister to another. Given the unprecedented waste and mismanagement that we have seen in the education portfolio, the government should be working to provide as much certainty as it can to schools throughout the country. Unfortunately, the next step in Labor's rolling education shambles is to put school funding at risk.

We know parents throughout the country work hard to secure a better life for their children. They save money, they budget meticulously and they forgo luxuries in order to put their children through school. As taxpayers, all parents who send their children to school are entitled to some form of government relief regardless of whether their children attend a government or non-government school. The coalition believes in an equitable distribution of funding that targets the needs of students and provides choice and flexibility for parents.

Securing funding for all schools has been a cornerstone of education policy for more than a decade. In fact, it was the founder of the Liberal Party, Sir Robert Menzies, who first introduced government funding for independent schools in order to provide that choice and flexibility for parents. The previous coalition government introduced the SES funding model for schools in 2000, which allocated funding to government and non-government schools based on the needs of the students. This model has worked incredibly well both in providing for students based on their socioeconomic status and in maintaining a high degree of quality in education across the entire system. No-one says that the system is perfect, but it is the best system that we have at this present point in time.

The government, though, has refused to rule out wide-ranging changes to the funding model as it currently stands. No changes were proposed in Labor's 2010 election platform and yet the government clearly intends to make very significant changes. The government has refused to guarantee funding beyond 2013 and has set up the Gonski review to provide advice on appropriate transitional assistance to help schools move easily and fairly to any new funding arrangement. While the government was keen to avoid any confrontation with independent schools during the last election, it is clear that it intends to overhaul the current school funding model.

The Minister for School Education, Early Childhood and Youth, Peter Garrett, has said that no non-government schools will lose a single dollar per student as a result of the Gonski review. But there is no mention of preserving the real value of funding through indexation. It is a deliberate omission from this government. The government has not committed to indexation of funding because ultimately it has an ideological objection to the SES funding model. This means that, as the cost of education rises with inflation, schools will be faced with a funding shortfall.

There are 16 non-government schools in my electorate that will have a shortfall of $29 million by 2017 if indexation is not kept. This would be a very significant loss of funding and would mean that these schools would be forced to undertake restructuring to the detriment of students and prospective students. I have spoken with a number of principals in my federal electorate of Higgins and they have told me that some of them...
would be forced to close their doors. If indexation for school funding does not extend beyond 2013 then by 2017 this will result in a significant funding shortfall. The only way for schools in my electorate of Higgins to make up the shortfall would be to cut teaching jobs or increase school fees. Both of these would severely hamper the ability of schools to provide quality education to the greatest number of students.

Labor's record on education is appalling. Labor promised 2,650 trade training centres in high schools but, after nearly four years, only 70 are operational. Labor promised every child would have a laptop at school, but the cost of this program has more than doubled and it has been all but completely discarded. We are still waiting for the National Curriculum to be finalised. It was cited by the Prime Minister during the last election campaign as one of her greatest achievements, yet it has been delayed until 2013. And of course the school-hall blowouts will go down in history as one of the most wasteful government programs ever implemented. Who was responsible for this mess? The former Minister for Education, who is now the current Prime Minister.

Feely, Mr Terry

Cranbourne West Primary School

Mr BYRNE (Holt) (21:45): I start my statement to the House tonight on a sad note, unfortunately, by remembering Mr Terry Feely, the former principal of St Peter's College in Cranbourne, who sadly passed away during Education Week. Mr Feely was the college's founding principal in 1994 and served as the principal until 2009. St Peter's College in Cranbourne currently has 960 students and I understand the whole school community has been affected by the passing of Mr Feely.

During his 15-year tenure, Mr Feely took great pride in the development of the school's master plan and left a lasting impression on the school in making it a premier education facility. In the words of the current principal of the school, Tim Hogan, Mr Feely was a 'great educator, a fantastic lover of literature and history, and there is no doubt that Mr Feely's legacy and vision will live on at St Peter's College'. On that note, I extend my deepest sympathies to Mr Feely's wife, Dorothy, and three children, Siobhan, Terry and Brendan. My thoughts are with the family and the entire school community at this sad time.

On a brighter note, I turn my attention to Cranbourne West Primary School and the school's modernisation program, funded by the federal government, and the overwhelming benefits it is having on the students specifically. During last month's Education Week, I was pleased to officially open the refurbished classrooms at Cranbourne West Primary School. I was welcomed at the school by some very impressive, enthusiastic and energetic young school leaders. They were Jake Joyce, Jessica Taylor, Josh Watson, Sarah Monahan-Vandermey, Aiden Bonar and Pele Wong-Soon.

These students did an outstanding job in touring me through the refurbished facilities and did their school and their community very proud. They were informative, courteous and very enthusiastic about their school. Part of the refurbished facilities are new open spaces with natural lighting and extended classrooms connecting multiple learning activity centres undertaken by small groups of four or five students each. These students were using the education tools needed in the new IT age. I saw colourful interactive displays, a green wall for multimedia projects, iPads, laptops and smartboards all being utilised by smaller groups of students. I noticed that every child was deeply engaged in their activity.
This is reinforced by the school's goal based learning approach, whereby at the start of each lesson the teachers give the students a goal and ensure they understand what they are doing for this particular task. It is certainly very different from the teaching that most of us experienced in the past and, importantly, it is delivering impressive results. It is great to see and to experience as a local member of parliament the results of investments in educational infrastructure by this government and that they are making a real difference in improving the academic performance and the potential futures for our students.

For example, the funding provided has given the students light-filled and inspiring learning spaces to utilise the technological facilities and the modern learning approach the school uses in its curriculum. In this sense, the BER project has allowed the students to learn and the teachers to teach in the facilities that best suit the school's ideals. One of the valued staff members at the school, Debbie Nobbs, is an excellent example of this approach in action. I happened to observe the great work she was doing during my walk-through. It was testament to the new refurbished buildings facilitating closer attention to individual students who required different styles of learning.

One of the school's 'big ideas' is the Local and Global Citizens Program. This includes a vegie garden which fits into the school's emphasis on sustainability. With the produce of the vegie garden, the dedicated brunch club volunteers help provide morning teas and emergency lunches to those who forget their lunch from home. It was really impressive to hear that the innovative vegie patch was designed and maintained by the school's grade 6 students.

Part of the program is a social competencies program which all the students are involved in. Just walking through the school, it was clear to see the benefits of the program with so many students introducing themselves in a friendly manner and showing pride in themselves and their school. The school principal, Andrew Bergmeier, school staff and parents have utilised the funding from the BER program in the most suitable way for their school, ensuring the vision of the school is met. Walking through those facilities, as I have said, and seeing the manner and the difference of the students' attitude, seeing the great pride that the students had in the new facilities, and attending the official welcoming and opening ceremony, it is a testament to the school and the students' great hope for the future. I congratulate all of the teachers on their efforts that have produced fantastic facilities for the school. (Time expired)

Longman Electorate

WYATT ROY (Longman) (21:51): As the federal member for Longman, I believe that it is my responsibility to give my community a voice with the key decision makers in Canberra. It is with this commitment that I recently hosted in Longman Senator Mathias Cormann, shadow assistant Treasurer and shadow minister for financial services and superannuation, as well as the shadow minister for ageing and mental health.

There are many independent retirees in my community and they have concerns about their financial future and the certainty of their superannuation and investments. With the cost-of-living pressures bearing down, independent retirees are rightly concerned about their financial future. The ageing population of Australia will increase the pressure on taxpayers to find a sustainable retirement system. We need to be supporting
those who are endeavouring to plan for the future, but the waste and mismanagement of this Labor government, which is driving up costs of living, has made it more difficult for people to save for their retirement.

Before the 2007 election, the Labor Party promised not to change superannuation laws; yet, as with many other broken promises of this government, the co-contribution scheme established by the coalition has been cut. The government has halved the concessional contribution cap from $50,000 to $25,000 for Australians under the age of 50. No wonder independent retirees are anxious about their financial future.

I invited Senator Mathias Cormann to come and listen to the concerns that I have been hearing from my community and to outline the coalition’s policies about Australians securing their financial future. It was my privilege to host Senator Cormann in May at a roundtable held in cooperation with the Association of Independent Retirees and the National Seniors Association. Attendees asked a variety of questions regarding a wide range of issues, including the provision of support for self-funded retirees and incentives available for rolling investments into superannuation. But the conclusion was clear—people want stability and security. They do not want the uncertainty of new taxes or cuts to superannuation.

The coalition would help manage the financial future of Australians’ income through competent and responsible economic management. The coalition strongly disagreed with halving the amount of money able to be put into superannuation at concessional tax rates and believes that more generous arrangements need to be in place as an incentive. However, the budget would need to be brought into surplus first. The coalition would also lower the tax burden and reverse policies that discourage people from becoming actively involved in planning their retirement.

I have spoken in this place before about the importance of mental health and the urgent need for more mental health services in Longman. Mental health is an issue that I am passionate about. It was a pleasure to recently welcome Senator Connie Fierravanti-Wells to Longman to visit the Open Minds centre in Caboolture. The Open Minds centre provides support for people with a mental illness, brain injury or disability. I was very encouraged to hear the stories of some of the clients of Open Minds who have benefited from lifestyle and residential support and employment recruitment support. With support and encouragement, people are re-engaging with the community. Open Minds is just one example of what mental health services can achieve with adequate funding. But the services that we have are not keeping up with demand in our region.

The coalition has a record of providing additional funding of $1.9 billion dollars for mental health when in government from 2006. In April this year we announced a further $430 million for mental health in addition to the $1.5 billion provided in the Real Action for Mental Health policy the coalition took to the last election. In my electorate this funding would have seen the establishment of an early psychosis prevention and intervention centre. The Labor government's allocation for the expansion of the EPPIC model leaves much to be desired. Only $2.9 million dollars was set aside for EPPIC this year, and this small amount will not go far in providing services in individual communities. During the last election campaign, in conjunction with my colleague Peter Dutton, the shadow minister for health, the coalition committed $60 million for an EPPIC in Caboolture. It is clear
that, if we want an EPPIC in Longman, we need a change of government.

I continue to uphold my strong commitment to give my community a voice with the key decision makers in Canberra rather than enforce Canberra's views on my local community. I want to thank Senator Mathias Cormann and Senator Connie Fierravanti-Wells for helping facilitate these important discussions with my local community. I will continue to keep fighting on behalf of my local community to ensure that these two important issues, securing Australia's financial future and the provision of adequate mental health services, receive the prominence and national attention that they so rightly deserve.

Gould, Mr Bob

Mr MELHAM (Banks) (21:55): Bob Gould was a unique individual. He was born into a socialist family in 1937 and died where he would have preferred to die, in his Newtown bookshop, on 22 May, 2011. The Sydney Morning Herald summed Bob up in its obituary on 2 June as:


I am not sure what more can be said; it is all there. Bob joined the Labor Party when he was 17 and was blooded during the split of 1955 when he lined up with the anti-Groupers against the forces loyal to BA Santamaria. At about this time he was actually a member of both the Communist and the Labor parties.

In the 1960s Bob formed the group which spearheaded the anti-Vietnam War movement. He opened the Third World Bookshop in 1967; the bookshop morphed to become his last bookshop, Gould's Book Arcade, in King St Newtown, near Sydney University. In the years Gould's bookshop was in Newtown, I doubt that there were too many students who did not visit regularly, as indeed did people from all over Australia. It was an institution.

Just about every member of the Labor Party has a Bob Gould story and, to be honest, there was not much about Labor history he did not know. In the last 15 years, Bob wrote regular essays about every aspect of the movement. Bob was renowned for having successfully made the abolition of ASIO official ALP policy—for a few minutes, anyway—at the 1971 federal conference in Hobart when he was a delegate for the Socialist Left. It is only appropriate to let Bob tell the story in his own words, as written for Workers Online in March 2006 as part of an essay titled 'Right Turn, Clyde':

I deliberately came in a couple of minutes late when the debate on ASIO started, and sat quietly when Lionel Murphy moved the formal proposal for the reform of ASIO. Then I moved from the floor for the abolition of this repressive instrument of the bourgeois state, which caused a certain amount of consternation, and I made a fiery speech in support of my motion.

Lionel Murphy, the left parliamentarian who was moving the formal proposal for the reform of ASIO, was a bit startled, and then rather angry, and Clyde Cameron and Egerton were also pretty irritated. However, my oratory was reasonably persuasive. One funny feature of the vote was that Gough Whitlam was out of the room, talking in the corridor, when the debate took place. He came back into the conference room for the vote, took a cursory look around, saw some people he identified with voting for my amendment, and not entirely realising what was being discussed, he voted for my amendment, which was carried by one vote.

There was much consternation, and Cameron and Egerton, who were the managers of the conference, ran around in a bit of a flap. Eventually they moved for the recommittal of my amendment, which was then lost by a few votes. So, for all of 45 minutes, abolition of ASIO was federal Labor Party policy.
That was Bob's version of events, anyway. I suspect Gough remembers it differently. The New South Wales state conference of the ALP is coming up next month at the Sydney Town Hall. For many of us the conference will never be the same without Bob sitting there, surrounded by the inevitable piles of books, in conversation or argument with anyone and everyone. I joined the Labor Party in 1974 and it was not long after that when I met Bob Gould. We became friends and I had regular contact with him at the annual conference of the Labor Party where he sold his books, and I also visited his bookstore in Newtown.

He was a kind and gentle man. He was always arguing policy and philosophy. Quite frankly, in all the time that I knew him—those 35 or 36 years—he did not change at all. He was as constant as the stars. It was also observed that John Ducker, as the president of the ALP in New South Wales, would always give Bob the call and that would be at the consternation of the Left. To say that Bob Gould will be missed is an understatement, but consider it said. We mourn his passing. We will all miss him.

Solar Energy

Mr VASTA (Bonner) (22:00): I rise this evening to highlight the government's incompetence and lack of real oversight for its solar panels program because it has once again enabled unscrupulous providers to rip off unsuspecting people and, potentially, taxpayers' money. As was detailed in the Courier Mail recently, shonky dealers have been able to operate in the solar panel industry and have ripped off people trying to be environmentally conscientious. Many of the people affected are pensioners and people who can least afford to have money stolen from them. I know this all too well from the people in my electorate of Bonner who have been ripped off.

The particular shonky dealer exposed in the Courier Mail is a business called Solar Powered Products. It used a cold-calling method and people were then visited by a man calling himself 'Steve Williams.' The scam was the promise of solar products following a deposit of $900. In addition, Steve Williams offered to reduce the overall cost of $6,600 if people signed over their federal government solar credits and acted as a display home; however, once the deposit was taken there was only an SMS communication from the company and no products materialised.

It has now been revealed that Solar Powered Products is owned by Julie Anne Jones, founder of Australia's Revival, a fake church based on the Gold Coast, and the person calling himself Steve Williams is known to locals as 'Pastor Steve'. 'Pastor Steve' and 'Steve Williams' is, in fact, Stephen John Jones, who is married to Julie Anne Jones. Both are former bankrupts who have now claimed an estimated 400 victims with this latest scam. Investigations by the Courier Mail have also found that Australia's Revival enjoys tax exemptions as a religious institution, yet there is no evidence of any services, worship or other religious activity. On top of that, the address in Burleigh Heads that Solar Powered Products provided to the Australian Securities and Investments Commission is occupied by a surf accessories import business that has never heard of Solar Powered Products. Julie Anne Jones has now also registered another company—Premium Solar Systems.

The reason all these facts are important is that Stephen John Jones, aka Steve Williams, and Solar Powered Products have ripped off people in my electorate of Bonner. One couple contacted my office concerned about the fact that they had paid their $900 deposit, had received nothing and all attempts to contact the company had failed. This couple
were judicious and, alongside my office, tried a number of means to check on the legitimacy of Solar Powered Products, including following ASIC processes, but, as was highlighted by the *Courier Mail*, this company provides bogus addresses and has apparently closed a number of its bank facilities following other complaints.

The attempt to verify the legitimacy of this company included trying to contact the Office of the Renewable Energy Regulator which holds a list of accredited providers; however, the phone number listed on the government's own publications for the Office of the Renewable Energy Regulator rang out and there was not even an answering machine to leave a message on. How are people supposed to safeguard themselves against scams like this when the government cannot even provide an information phone line that is answered or, at the very least, has an answering machine? My constituent and I only found out the true identity of this company and its owners from the *Courier Mail*.

This is a gross failure on the part of the government, particularly when the Senate Environment and Communications References Committee was warned last month about shonky solar operators. The government's Home Insulation Program cost taxpayers $2.45 billion and from its inception it was an outrageous failure of policy and implementation. As we all now know, this government rejected all attempts to warn them of the issues associated with this program and all attempts to shed light on what was really going with fraudulent claims.

This is another failure of the government to prevent fraudulent activity. I hold grave fears for the implementation of the entertainment revolution and the set-top boxes. I certainly support the shadow minister for climate action—*(Time expired)*

**Live Animal Exports**

Dr LEIGH (Fraser) (22:05): The image of our stock men and women is deeply etched on the national psyche: the laconic stockman rocking easily in the saddle, cajoling and guiding the herd; the alert and agile stockman darting through the bush, bringing a bolter back or displaying campdrafting skills at the local rodeo.

The resourcefulness and resilience of Sara Henderson, who successfully ran Bullo River cattle station, inspired us all with her campaign against breast cancer even as she herself was dying from the disease. The government, those who raise the cattle and those who rely on the cattle care deeply about the welfare of these animals and ensuring they are treated humanely every step of the way.

Following evidence of animal mistreatment, the decision was made to suspend trade to Indonesia. This was not an easy decision, but it was the right decision. The live export trade will only recommence when we are certain that the industry complies with supply chain assurances. The industry must be based on animal welfare outcomes, transparency and verification. The Australian and Indonesian governments have agreed to work together to establish a transparent, verifiable system that will account for cattle from Australia right through the supply chain. The humane treatment of animals is a universal value that transcends international boundaries. It is the community standard. It is the government's standard. It must be the industry's standard.

Under World Trade Organisation rules, Australia has the right to take actions to ensure that Australian cattle are treated in accordance with international standards of animal welfare. I was horrified, as all
Australians were, by the *Four Corners* footage. We cannot turn away from this. That is not the Labor way; it is not the way of this government. That is why the government is working with the industry and with animal welfare organisations to make sure that the cattle those in the industry rely on and care for are part of a supply chain that respects the animals' welfare. Halal killing should only be done after animals are stunned.

This is the best way to ensure the long-term sustainability of the industry for those that rely on meat exports for their livelihood and way of life, such as the Indigenous stockmen and their families who work in 82 Indigenous cattle stations across Northern Australia, providing economic and employment opportunities. We know that in the short term the suspension will have an impact. The government is committed to the long-term future of the industry, an industry that is vital to many Australians and their communities.

We all identify with the spirit of our stockmen and women, and the care they have for their cattle. Banjo Paterson wrote of this in his poem *With the Cattle*:

The plains are all awave with grass,
The skies are deepest blue;
And leisurely the cattle pass
And feed the day long through;
But when we sight the station gate,
We make the stockwhips crack,
A welcome sound to those who wait
To greet the cattle back:
If anyone is left in doubt as to the indelible mark left by those who work the land, look down at your feet or the person's next to you. There is a good chance they will be wearing a pair of RM Williams shoes, shoes designed by a stockman for stockmen to enable them to apply their trade in caring for their cattle. The pundits like to find conflict in every story. In the case of live exports, the debate has been portrayed as city versus country, Bondi versus Barcaldine, naive animal lovers versus heartless farmers. But the debate is more than that. We are more than that.

Over the past fortnight, I have received more than 500 emails on the issue of live exports and engaged in numerous conversations with constituents here in the bush capital. Australia is made up of urbanites proud of their cattle industry and people on the land horrified at what they saw on their TV screens. Ours is not a country divided. Most want a strong cattle industry, but never again do we want to see cattle mistreated. I am confident that we can achieve both outcomes.

**Flinders Electorate: Portsea**

Mr **HUNT** (Flinders) (22:10): This evening I want to address the health and care of the coastal community of Portsea. Portsea is famous around Australia for its coastal beauty, for its scenery, for Point Nepean and for its history. But at this moment Portsea is facing a series of challenges. I was fortunate to visit this beautiful town only last week and I did so in the process of visiting Point Nepean to look at a proposal to move the gun emplacement, which is a static display, and return it to its original site overlooking the entrance to Port Phillip Bay, where the first shot of World War I was fired. I think it is an important project and one which I support. It is one which we would like to put in place by the date of the 100th anniversary of World War I. However, right now there are some immediate challenges facing this town.

First and foremost, the beach has been destroyed. There are differing theories as to the destruction of the beach, but every local with whom I have spoken who has spent time in the town and understands the movements of the tides and the beach over
The decades is absolutely categorical that the erosion, which is catastrophic by local standards, and the destruction of the Portsea front beach have coincided and followed the channel deepening process. Most significantly, there were warnings and predictions beforehand and there was a consequence in the period following the channel deepening. The then Labor government ignored those warnings, dismissed the predictions and denied the cause.

My personal view is that it is inconceivable that this scale of damage in such a short period of time immediately following the channel deepening would be unconnected to it. In that situation, I believe that the Port of Melbourne authority has a duty to make good with the people of Portsea and help fund the replenishment of this beach. Under successive governments, the state has so far picked up the cost of bunding the beach wall to at least prevent any further destruction. But it is time right now for the Port of Melbourne authority to accept its responsibility to contribute financially to make sure that the beach is maintained and made whole, and that the subsea causes are addressed in the area off the shore. That, of course, cannot involve anything to do with undoing the channel deepening—what is done is done. But there are many maritime experts who have suggested that there may be activities which could be taken in the area 300 to 500 metres offshore to help mitigate the damage.

The second element of what I want to present tonight on the three-point Portsea recovery plan concerns ensuring that the Point Nepean National Centre For Coasts and Climate project is completed. This proposal was put on the table and $50 million was supplied by the previous federal government. That proposal was put in mothballs and nothing of substance has been done to ensure that there is a long-term future for Point Nepean. It should be the site of a national centre for coasts and climate. I have been in conversation with and have been working with the Vice-Chancellor of the University of Melbourne. They remain committed to the project. In my view, this is the site for the next 100 years for a small, modest national centre for coasts and climate that makes appropriate use of the marine reserve and facilities and of the buildings, in addition to other public uses for those buildings.

The final element that I put on the table is that a number of the historic cypress trees which rim the entrance to the town have been cut down and destroyed by the council. I respect the council greatly but I believe that we should be trimming, not destroying, the remaining trees. These are historic trees that should be preserved and protected. They should not be destroyed. The town needs a future. (Time expired)

Shortland Electorate: Home Interaction Program for Parents and Youngsters

Ms HALL (Shortland—Government Whip) (22:15): The employment initiatives in the budget are designed to assist the most disadvantaged job seekers, such as long-term unemployed, unemployed with literacy and numeracy problems, teenage parents, people with disabilities and people with a variety of social issues. The types of programs that are needed are positive programs designed to address this level of disadvantage. They are needed in areas such as Windale, which is a suburb in the Shortland electorate that has a significant number of disadvantaged job seekers, single parents and people with disabilities who would benefit from being able to re-enter the workforce and who, in many cases, are keen to re-enter the workforce. I am working with local, state and federal services and with employment
providers, along with, hopefully, the state member, who is a member of the O'Farrell government, to maximise access to initiatives that are available for these job seekers. I am particularly keen to see that they are able to access the initiatives in this year's budget.

A program that has already been achieving some great outcomes, and is exactly the type of program that is needed in disadvantaged areas such as Windale, is run by JobQuest. The program is called HIPPY, the Home Interaction Program for Parents and Youngsters. This program is funded by the Department of Education, Employment and Workplace Relations through the Brotherhood of St Laurence. In Windale, JobQuest has been running the program since 2009. HIPPY is primarily designed to improve educational outcomes for children. However, along the way it has a lot of other benefits. It is a structured approach for parents preparing their children for school. It works with parents by involving them in preschool activities such as packing and pasting. JobQuest works through tutors who work with the parents. People either self-refer or are referred through local agencies. The program has grown to such an extent that it is now run out of the local PCYC. Four tutors recruited from the program are now in paid employment and are looking at returning to full-time employment. This is a great outcome. This program is funded until the end of 2012 and is exactly the type of program that is needed to help the most disadvantaged job seekers and their children in our community.

I will give an idea of some of the people who have been involved in the program. One mother had her first child when she was 15 and left school to care for her baby. She had a second child at 19, and now cares for two children full time. She is fairly new to Windale and found it difficult to make contact and build up support networks. Since she has been involved in HIPPY she has developed contact with people in the local area and spoken of the possibility of being one of the tutoring staff herself, which I see as a really good outcome. Another mother is a long-term resident of the Windale area. She has one child, who starts school next year. She finished school in year 9 and has never worked. She was constantly cancelling appointments until it was discovered she could not read. She has been involved in the program and, as well as helping her child, it has been helping her with her reading problem. One parent who completed the program as a parent participant and tutor is now working in a permanent position. HIPPY is a great program. It is the kind of program that is needed in disadvantaged areas. It is a program that gives hope. It is a positive program. It is a program that can help long-term unemployed people get back into the workforce. More importantly, it is a program designed to help preschool children in their preparation for school. (Time expired)

Live Animal Exports
Biosecurity

Mrs MIRABELLA (Indi) (22:20): I rise tonight to speak on behalf of the many thousands of farmers and farming families in my electorate and to echo their concerns and the experiences of many farming families right around Australia. They are hard working, small-business families who have been let down by a government that not only does not understand rural and regional Australia but does not care. The reason it does not care is quite simple. A very cynical government, desperately trying to cling to power, believes that, if country people do not vote for it, it should not have to govern in their interest. We are taken back to the time when the Prime Minister did not want to
increase the rate of pension because, as was reported at the time, she did not believe that the majority of pensioners voted for the Labor Party. I suppose the same goes for defence force personnel and the like. Country people can see through the spin and see through the uncaring cold stare of the Prime Minister. They know that their futures and those of their towns are in jeopardy.

I turn specifically to the issue of the suspension of the live cattle trade. What the government does not understand is that reacting in such a kneejerk way—having a one-size-fits-all approach, a panicked response in suspending all trade to Indonesian facilities—is doing extraordinary damage not just to the personal finances of these farming families but to an industry that is very significant, an industry worth $320 million. With the stroke of a pen they have done this, with very little regard to people who have survived, in many cases, 10 years of devastating, soul-destroying drought, through some of the worst floods in living memory, waiting to experience a bumper year of good prices. What are those people now looking at? They are looking at possible economic devastation. And in parts of Australia where there is beef cattle production we are already seeing prices fall by about 10 per cent in anticipation of a glut of cattle coming from the north. The longer this ill-conceived, knee-jerk suspension of the live exports to Indonesia is in place, the more prices will fall and these hard-working families will see the profits they have been expecting and relying on just dwindle away.

There is simply no reason that this ban needs to be imposed. The industry has put forward a proposal that would see cattle slaughtered only in approved abattoirs, which would meet the strictest of animal welfare standards. Let us not forget that the best thing we can do to ensure the humane treatment of animals is to ensure that Australia has a role in the export of live cattle to Indonesia, to these particular facilities. We are the only country putting our own money into raising standards in Indonesia and we have done so for some time.

I urge the Prime Minister on this one instance to govern in the national interest and to accept the Leader of the Opposition's offer to meet to develop a solution to this problem so that trade can resume before any more damage is done. I can hold out hope but if I were a betting woman I would say the Prime Minister will not accept this offer.

The problem is that with everything the Prime Minister touches she seems to have the reverse Midas touch and it turns to dust. We saw only four months ago in a desperate attempt to find some sort of empathy, some sort of belonging, some sort of approval, when she caught a plane across the Tasman, she told the New Zealand parliament that she was going to lift a 90-year ban on the importation of their apples. Did the Prime Minister know that the New Zealand apple industry is plagued by the devastating fire blight disease? Did she know that her announcement threatens to destroy altogether our domestic apple industry or is she just so desperate for this approval? There is an emerging pattern here. The Labor Party slashed a whopping $35.8 million from quarantine and biosecurity budgets and, at the same time, opened up our borders to this particular threat. (Time expired)

Kingston Electorate: Sammy D Foundation

Ms RISHWORTH (Kingston) (22:25): I rise tonight to highlight the great work done by Neil Davis and Nat Cook, who head up the Sammy D Foundation. This foundation was established in 2008 out of quite devastating circumstances. Their 17-year-old son Sam was tragically killed after being
assaulted at a house party in Brighton. Sam was a promising young footballer and an extremely popular local teenager but his life was suddenly cut short when he became the victim of a fatal assault. It was really a case of being in the right place at the wrong time. However, through this tragedy there has been some light. Through the establishment of the Sammy D Foundation, Neil and Nat have used this personal tragedy to reach out to vulnerable young people in the community. Since the foundation was set up, Neil and Nat have given over 100 presentations to local young people and community groups, delivering positive messages about harm prevention, safe partying, the importance of mateship and the importance of making positive life choices.

Most recently, the Sammy D Foundation organised the Own It art gallery launch at the Reynella Youth Centre. The launch presented an opportunity for young people in guardianship care at Noarlunga Downs residential unit to express themselves and to showcase their skills. The aim of the art gallery launch was twofold. It allowed young people to gain confidence in their own skills and it also allowed the local community to see and to celebrate what these young people have achieved.

There are currently around 12 people at the Noarlunga Downs residential unit aged between eight and 15 years. The unit is for young people who are not currently able to live with their families and for many of them life has been extremely tough. Throughout their time at the unit, Families SA works with these young people to transition them into more mainstream accommodation, to place them with families if they are ready for it or to support them to live independently when they reach an appropriate age. The Sammy D Foundation works with these young people at the unit to guide them to reach their full potential and to mentor them through challenges they may face.

As part of the PEER Connect program, volunteers from the Sammy D Foundation regularly visit young people at the Noarlunga Downs residential unit to connect them with other groups in the community and to provide them with opportunities to experience new things, maybe to just have a chat and gain some confidence. Some of the activities include sports, cooking workshops, visits to surf-lifesaving clubs and art classes. The Own It exhibition showed some wonderful paintings on canvas. The Unchain My Art workshops had been conducted, as well as cooking workshops. It was an absolute pleasure to attend the launch of this artwork because the artwork was truly impressive. I was touched by the brightness and hopefulness in each piece. I am not able to mention all of the pieces but just a few, including a painting entitled 'Rainbow and Birds' by a nine-year-old boy who said he wanted to paint rainbows because they are colourful and birds because they are free. An 11-year-old produced a lovely painting of birds flying in the sun which he called 'From the Heart'. One particular ecologically aware nine-year-old painted a bush on a beautiful blue and red background to make the statement that plants are good for the environment. These wonderful artworks will hang in the Reynella Youth Centre until these young people are transitioned out of guardianship care, at which point they will be able to take the canvas with them into the next stage of their lives. This idea was thought up by Nat and Neil at the Sammy D Foundation. I congratulate everyone involved—the volunteers, the young people—in this fantastic event. I wish the Sammy D Foundation all the luck in the future. I know they will do a great job.
The SPEAKER: Order! It being 10.30 pm, the debate is interrupted.

House adjourned at 22:30

NOTICES

Mr BRADBURY: to present a bill for an act to amend the law relating to competition and consumers, and for related purposes.

Ms PARKE: to move:

That this House:

(1) notes:

(a) that 20 June each year is World Refugee Day, celebrating the courageous spirit and resilience of more than 10 million refugees around the world;

(b) that the global theme for World Refugee Day 2011, occurring in the year of the sixtieth anniversary of the United Nations Refugee Convention, is '1 refugee without hope is too many.);

(c) Australia's history of support for the United Nations Refugee Convention and its objectives, being the sixth signatory to the 1951 United Nations Refugee Convention which brought the convention into force in 1954, and having since welcomed 750 000 refugees who have made an enormous contribution to the culture, economy and social fabric of Australian society;

(d) that much of the political, media and public commentary in Australia regarding asylum-seekers and refugees misses or ignores the following facts:

(i) of the more than 10 million refugees identified by the United Nations High Commissioner for Refugees (UNHCR), just over 100 000 or 1 per cent are resettled under orderly programs each year, which means that if someone puts their name on a list today they could wait more than 100 years for processing;

(ii) in many countries wracked by conflict, like Iraq or Afghanistan, there is no list or queue to join;

(iii) Australia's 8250 asylum seekers in 2010 is a minimal number compared with the 358 000 people who sought asylum in the 44 major industrialised counties in 2010, and compared with the millions of people from Iraq and Afghanistan who have sought refuge in neighbouring countries like Jordan, Iran and Pakistan.

(iv) only two per cent of the world's asylum claims are made in Australia;

(v) persons fleeing from persecution are not 'illegals', they have a legal right under international law to seek asylum, and under the Menzies Government, Australia agreed to this by signing up to the United Nations Refugee Convention; and

(vi) while Essential Research has reported that 25 per cent of Australians believe that 75 per cent of our migrant intake is made up of asylum-seekers, in fact only 1 per cent of Australia's annual migrant intake comes from them and even less from asylum-seekers who arrive by boat;

(2) notes the UNHCR report of April 2011 entitled Back to Basics: The Right to Liberty and Security of Person and 'Alternatives to Detention' of Refugees, Asylum-Seekers, Stateless Persons and Other Migrants and welcomes the forthcoming parliamentary inquiry into mandatory detention;

(3) recognises that it is possible to protect Australia's borders while also treating asylum-seekers fairly, humanely and in accordance with international law; and

(4) calls for:

(a) a return to bipartisanship in support of a reasoned, principled and facts-based approach to the issue of asylum-seekers and refugees; and

(b) Australia to continue to work with other nations and the United Nations to address the complex global and regional challenges associated with increased numbers of asylum-seekers and other people movements that cannot be addressed by countries acting on their own.

CHAMBER
Mr PYNE: to move:

That this House:

(1) acknowledges the Government's failure to deliver on its promise to provide a computer for every secondary school student between years 9 to 12 within the original budget commitment of $1 billion;

(2) condemns the Government for promising to families that they would not have to pay for charges associated with using the laptop computers, and then for breaking that promise by authorising schools to charge fees and levies to parents to use the laptops; and

(3) calls on the Government to explain to families why it has broken its promise and why parents should be the ones to pay up to hundreds of dollars to make up the funding shortfall associated with the program, at a time when cost of living pressures are increasing.

Mr PYNE: to move:

That this House:

(1) acknowledges the importance of the role that non-government schools play in reflecting the diversity of Australian society and serving a broad range of students, including those from a variety of religions, social backgrounds, regions, and socio-economic circumstances;

(2) supports the continuation of a funding model into the future that distributes funds according to socio-economic need and which recognises that every non-government school student is entitled to a basic level of government funding;

(3) calls on the Government to continue to support parents in their right to choose a school which they believe best reflects their values and beliefs, by not penalising parents who wish to make private contributions towards their child's education, nor discouraging schools in their efforts to fundraise or encourage private investment;

(4) notes the many submissions made to the Review of Funding for Schooling by non-government sector authorities requesting that changes to school funding arrangements not leave schools or students worse off in real terms;

(5) acknowledges that any reduction in government funding for non-government schools would need to be addressed by increasing the level of private income required to be raised by the school community (such as school fees), or through a reduction in the quality of the educational provision in affected schools; and

(6) calls on the Government to make a clear commitment to the continuation of current funding levels to all non-government schools, plus indexation, and for this to be the basic starting point of any new funding model resulting from the Review of Funding for Schooling process.

Mr RAMSEY: to move:

That this House:

(1) expresses:

(a) its greatest concern at the SA Government's decision to slash support for its Remote Areas Energy Scheme which subsidises off-grid generation for isolated communities; and

(b) great concern that the reduction in subsidy will lead to escalating power prices for businesses of up to 100 per cent, recognising users will pay as much as $0.60 per kilowatt hour; and

(2) names the affected communities as Coober Pedy, Andamooka, Yunta, Nundroo, Maria, Oodnadatta, Marree, Kingoonya, Glendambo, Parachilna, Blinman, Manna Hill and Cockburn;

(3) recognises that as Coober Pedy relies on a desalinated water supply and that the reduction in subsidy will lead to the price of water rising to $5.70 a kilolitre;

(4) brings to the SA Government's notice that every other State and Territory in Australia which has off-grid generation systems for isolated communities supports a state-wide pricing policy;

(5) expresses support for the affected communities and recognises the public outrage expressed at a public meeting in Coober Pedy on Sunday 15 May 2011 attended by Senator Nick Xenophon, SA
Legislative Council Member the Hon. John Darley and Rowan Ramsey MP; and

(6) condemns the SA Government for its actions and calls on it to immediately re-instate the subsidies and consider bringing SA into line with the rest of Australia in supporting state-wide pricing.

Mr FLETCHER: to move:
That this House:

(1) notes that:
(a) many home owners have reported incidents of suspected fraudulent insulation claims under the Government's Home Insulation Program to the Department of Climate Change and Energy Efficiency;
(b) the Department has indicated to complainants that they may never be provided with advice about the outcome of investigations in each case; and
(c) the Minister for Climate Change and Energy Efficiency and his Department, have failed to provide information concerning the number of claims of fraud that have been made or of instances of fraud which have been detected;

(2) condemns the Government for failing to:
(a) provide specific information to home owners about the outcome of investigations into alleged fraud at their homes; and
(b) report to Parliament, and to Australian taxpayers who have funded the Home Insulation Program, the details on the number of claims of fraud that have been made or of instances of fraud which have been detected; and

(3) calls on the Minister to:
(a) direct his Department to provide information to home owners on an ongoing basis concerning the progress of investigations into incidents of suspected fraud reported by those home owners;
(b) immediately authorise an additional 50 000 random home inspections from within allocated funds; and
(c) provide regular reports to the Australian public concerning investigations into fraud under the Home Insulation Program, that include the number of:

(i) claims of alleged fraud that have been received, identified in the Government-commissioned forensic audit, and investigated;
(ii) cases investigated that have been completed, and those that resulted in prosecutions, along with the outcomes of each;
(iii) prosecutions that are in train; and
(iv) cases where steps have been taken to seek restitution from fraudulent claimants, and the outcomes of such cases.

Mr JOHN COBB: to move:
That this House:

(1) deplores the inhumane treatment of cattle at some abattoirs in Indonesia;
(2) notes that this is unacceptable to all Australians, especially our farmers, who take great pride in breeding and raising healthy and well cared for animals;
(3) supports the suspension of trade of Australian live cattle to facilities that fail to comply with acceptable practices;
(4) notes with concern the impact of a total live exports suspension to Indonesia on:
(a) the economic, social and environmental fabric of northern Australia;
(b) Indigenous employment in northern Australia;
(c) Indonesian abattoirs already operating at acceptable standards; and
(d) the entire cattle Industry including producers in the south who are already seeing reduced saleyard prices; and

(5) calls on the Government to:
(a) immediately establish a register of Indonesian abattoirs, to be known as the Approved Indonesian Abattoir Register, that have adopted and implemented acceptable animal welfare standards;
(b) require that Australian sourced cattle be processed only at abattoirs that are listed on the register;

(c) revoke the legislative instrument Export Control (Export of Live-stock to the Republic of Indonesia) Order 2011 upon one or more Indonesian abattoirs being included on the register;

(d) provide support to Indonesia to bring more abattoirs up to acceptable standards; and

(e) provide assistance to the cattle industry to deal with the consequences of this suspension.

Ms HALL: to move:
That this House:

(1) expresses concern at the impact that beauty pageants have on children;
(2) calls for an investigation into the impact of these pageants on young girls; and
(3) notes that:
   (a) obsessive preoccupation with grooming, body image and superficial beauty has the potential to create major psychological disorder in adolescence and adulthood;
   (b) such pageants are common in the United States and that serious concerns have been expressed in relation to the impact they are having on these young girls who strive for an unrealistic and unobtainable image; and
   (c) these pageants have the potential to add significantly to Australia's health costs.

Dr LEIGH: to move:
That this House:

(1) commends the efforts of successive Australian governments, working with multilateral, non-government organisations such as Rotary International and other national governments, in wiping out polio in the Pacific and reducing the total number of polio cases worldwide by 99 per cent since 1988;
(2) notes that polio remains endemic in four countries—Afghanistan, Nigeria, India and Pakistan—three of which are Commonwealth nations;
(3) recognises that in 2010, there were only 1290 cases of polio worldwide, down from 350 000 cases in 1998, indicating the unprecedented opportunity the world has to eradicate polio once and for all;
(4) notes that the Global Polio Eradication Initiative currently faces a funding shortfall of US$665 million for the full implementation of its 2010-12 Polio Eradication Strategic Plan; and
(5) calls upon the Government to support efforts to deliver a polio-free world and to advocate for the inclusion of a strong statement urging Commonwealth countries to strengthen immunisation systems, including for polio, in the Final Communique of the 2011 Commonwealth Heads of Government Meeting.

Mr BANDT: to move:
That this House:

(1) endorses the meetings of His Holiness the Dalai Lama with Coalition leaders Messers Tony Abbott and Warren Truss, and Greens Leader Senator Bob Brown;
(2) expresses disappointment that neither the Prime Minister nor Minister for Foreign Affairs were available to meet His Holiness the Dalai Lama;
(3) notes that the last Prime Minister to meet His Holiness was Mr John Howard in 2007; and
(4) wishes the people of Tibet well in their aspiration to have His Holiness return home to Tibet's capital, Lhasa.
Tuesday, 14 June 2011

The ACTING DEPUTY SPEAKER (Ms Anna Burke) took the chair at 16:00.

CONSTITUENCY STATEMENTS

Biosecurity

Ms MARINO (Forrest—Opposition Whip) (16:00): The agricultural sector and Australia's biosecurity are under attack from the Labor government. On 16 February this year the headlines around the nation ran 'Gillard says yes to New Zealand apples'. The Financial Review told us on that day that Prime Minister Julia Gillard 'has again confirmed that Australia will soon begin importing apples from New Zealand despite the risk of fire blight'. With the Prime Minister's statement Australia's biosecurity was sacrificed to give the Prime Minister a good media story for the New Zealand press. Following this, Biosecurity Australia has had little choice but to sacrifice our biosecurity in its import risk analysis, because the only other option is to contradict the statement by the Prime Minister. Labor has once again hung biosecurity and Australian agriculture and food production out to dry.

How incredibly offensive this is to Australian and Western Australian apple and pear producers, particularly those in the south-west in my electorate in Western Australia. I heard the member for Fremantle say in the House last week that the Australian apple and pear industry requested that any new importation arrangements with New Zealand must apply the highest inspection and monitoring standards, when it is the Australian Labor Party, led by the Prime Minister, who has put at risk their very industry and their livelihoods by lowering our quarantine standards to below those required by the US. The need to maintain our quarantine standards is absolutely paramount.

Unfortunately, the government is continuing to attack Australian food production and agriculture. In the federal budget of 2009 $35.8 million was slashed from quarantine and biosecurity budgets, leading to the loss of 125 jobs and reduced cargo and passenger inspections. An amount of $58 million was slashed from the Customs budget, leading to 4.7 million fewer cargo consignments being inspected each year and 2,150 fewer vessels being boarded on arrival. This is a major issue for this nation. It is deliberate and calculated neglect and it sets a trend that has been continued into the current budget. In 2011 another $32.8 million was cut from the operational budget of the Department of Agriculture, Fisheries and Forestry, reducing the department's capacity to deliver services to Australian agriculture. Unfortunately, the government just continuously demonstrates its contempt for farmers and Australia's biosecurity by ignoring the threats to our borders.

We have seen no action either on the dairy industry inquiry report, of at least a year ago, entitled Milking it for all it's worth—competition and pricing in the Australian dairy industry. There has been absolutely no response to any of the recommendations made in that report.

(Time expired)

Cunningham Electorate: Health Services

Ms BIRD (Cunningham) (16:03): I want to report to the House today on an important announcement made in my electorate last Wednesday by me, the member for Throsby and Mr David Farmer, the General Manager of Wollongong City Council. This was an announcement...
around the Healthy Communities Initiative. It is a particularly important one in terms of the government's agenda on preventative health measures.

The Commonwealth government announced that we will be providing $703,000 to Wollongong City Council. This funding was for a range of programs that the council was running in order to put in place health and lifestyle programs for local residents, particularly those who are least likely to be targeted by the general run-of-the-mill type of delivery—that is, those that are delivered through fee-for-service or where people actually buy particular diet or exercise programs. Many people miss out on that sort of access and these programs are particularly targeted at those who are the most at risk and the least likely to seek out such programs.

We met not only with the council but with a range of people from the community the council is partnering with in order to provide this program. Some of those included the Illawarra Area Health Service, the Illawarra Division of General Practice, Healthy Cities Illawarra, the Multicultural Communities Council of Illawarra, the National Heart Foundation and the Australian Diabetes Council. The council has put together partnerships with these organisations. They will employ a healthy communities coordinator whose job it will be to manage the program overall. One of the projects they are doing in partnership with these organisations involves purchasing outdoor fitness equipment, which we placed in some of our less well-to-do southern suburbs in the member for Throsby's area to enable people in those areas to participate in outdoor fitness activities. Another program will purchase books and DVD resources on healthy living. These will be made available in the local libraries.

There is also an important program conducting healthy eating and physical activity seminars that will be run in local libraries and community centres by the Illawarra Division of General Practice, a welcomed partnership program. The council will also co-fund and establish a community health development program called Stir It Up, which is facilitated by the Illawarra Area Health Service and Healthy Cities Illawarra. I met some fabulous local mums who volunteer and who have been trained to teach others how to cook healthy food and prepare healthy lunch boxes. One of the things they make is healthy shakes to encourage young women to eat healthily. So there is a great range of initiatives in conjunction with the council. It is a really important combination of government, council and partners.

Aston Electorate: Youth Mental Health Services

Mr TUDGE (Aston) (16:06): Earlier in the year I launched a campaign to get more youth mental health services in the outer east of Melbourne. I did so for two reasons: (1) the mental health statistics are particularly poor in our area and (2) I was concerned about the paucity of services in the outer east of Melbourne. A key part of the campaign was to convene a youth mental health public forum in my electorate in order to gather views from the broader community. I hosted the forum on 4 April at Fairhills High School. It comprised a panel of experts consisting of Kristin Michaels, Chris Potter, Peter Cole and Dr Geoff Broomhall. Over 150 members of the public attended the forum.

It was a very worthwhile forum. It was at times very moving, particularly when some people spoke about their own personal experiences or the experiences of their children. One person, Pauline Renzow, spoke very passionately about the loss to suicide of two of her sons.
There was rich discussion about the nature of the problems, and some very constructive solutions were put forward.

Part of my commitment to the forum was to report the outcomes to the parliament; hence the nature of my speech today. A number of broad themes were raised. First, there is still a significant issue of stigma associated with mental illness. We as parliamentarians can have a role in overcoming this by talking openly about the issue. Second, there is a need for better education at the school level and at the community level about what mental illness actually means. Third, there are gaps in the current provision of services, particularly services catering for young people. Fourth, there is a lack of information and coordination of existing services. Finally, there was endorsement of the concept of a headspace centre in Knox, in my electorate.

Many of these issues require additional federal or state resources. I am pleased that the federal government allocated additional funds to mental health in the budget, which of course followed the coalition's commitments in this area. The additional funds will make a difference. At the local level we have taken a number of actions already to progress some of the issues raised in the forum. We have established a youth mental health committee. We are working on getting better information out to service providers. We are talking more openly about the issue, including through the media, and we are strengthening support groups. We have raised funds to support eating disorder services through the Butterfly Foundation, and we have ramped up our campaign for a headspace centre in Knox.

Thousands of families in my electorate are impacted by mental illness. Indeed, there is barely a family that is not touched by it either directly or indirectly. Hopefully, these actions we are taking will make a difference to those families and indeed to families right across our community.

**15th Annual Alexandra Truck, Ute and Rod Show**

Mr MITCHELL (McEwen) (16:09): Last weekend I had the pleasure of attending the 15th Annual Alexandra Truck, Ute and Rod Show. On Saturday night I attended the sponsors dinner held at the Mount Pleasant Hotel where we enjoyed good local food and the company of all those who have invested in this great show's continual growth and its future. It was a great opportunity to pay tribute to the volunteer committee, which is led ably by its president, Matt Ellis. Matt is a great local who is a true champion in the community. We took the opportunity to warmly thank two members of the committee who have been there since day one. Gordon Simpson and Andrew Embling are the only two originals left on this fantastic event. This event can only succeed with the strong support of the whole community, and that was evident by the army of volunteers who worked and planned to bring this sensational event to fruition.

As I said, 2011 marks the 15th year the show has been operating in Alexandra. This year the proceeds from Saturday night and Sunday went to the purchase of specialist medical equipment used in men's examinations, to be used in the men's health ward of the new Alexandra District Hospital. This new hospital was built because of the work and support of the former Brumby government. The show has supported committee groups throughout its 15 years, with local volunteer groups cooking and selling some 200,000 sausages in that time. I am sure there would be a few hardened arteries, but it was great being out there in the fresh air and enjoying the smell of sausages cooking while seeing what the committee had to offer.
There were thousands of visitors to the show on Sunday. The local streets, including the main street, were blocked off to allow many hundreds of vehicles on display to be enjoyed by the crowds who flocked there on Sunday. They saw things such as trucks of all persuasions, hot rods, street machines, vintage cars, some displays of logging trucks and an 80-metre-high crane, as well as tradeshows for the automotive and heavy vehicle industries. Music was by a local artist and there was a live broadcast by our community's favourite, UGFM. For families there were skilled axe men and women in the traditional woodchop and show bags and rides for the kids. This fantastic event is widely supported by locals and small businesses that came together to showcase all that Alexandra has to offer. This community has faced some serious challenges since the 2009 Black Saturday fires. In true country spirit they came together and got through the challenges by providing support, friendship and community spirit to see Alexandra grow.

Longman Awards

WYATT ROY (Longman) (16:12): On Friday night I held the Longman community awards, acknowledging and honouring the outstanding contributions and achievements of members of my local community. Over 320 people of all ages joined me to celebrate the hard work and achievements of our 60 Longman Award finalists and to recognise our local service men and women for their contribution to our nation in times of conflict. Our communities are vibrant and rich because of the investment of time, energy, blood, sweat and tears by volunteers. Without the effort of these quiet achievers, our community groups would not have the capacity to serve our community. I am proud that the Longman Awards celebrate these quiet achievers. These individuals do not look for recognition but go about their work driven only by a desire to help others.

The community nominations for the Longman Awards revealed some amazing stories of commitment—stories about individuals taking the initiative to meet committee needs in new ways, stories about selflessness during the January floods and stories about fundraising to support those in our community who are most vulnerable. The 60 Longman Awards finalists were all worthy individuals and it proved very difficult to select just one winner for each category. I would like to again offer my congratulations to all seven winners: Jordan Quinn Ah-sam in youth achievement; Maureen Hall in seniors achievement; Liam Wilson in sports achievement; Colleen Ogilvie in environmental achievement; the House of Happiness as Community Organisation of the Year; as well as Michelle Knight and Betty Lynford as joint winners of the volunteer achievement award.

I would like to share just a couple of the remarkable stories of our Longman Award winners. Betty was awarded the Longman Award for her dedicated volunteer work as a court support worker. Betty volunteers at least two days each week offering assistance to those appearing before domestic violence courts who often do not have any other assistance available to them. Each year Betty travels to Vietnam to volunteer for the Christina Noble Children's Foundation as a nurse. But, if that were not enough, Betty spends her spare time supporting the Bribie Island Information Centre. Michelle was awarded the Longman Award for her commitment to the Woodford community. Michelle volunteers in her spare time to organise events for the residents of Wamuran Park Home, an assisted living residence. The residents have shared with me just how much happiness these events bring to their days. During the Queensland floods in January, Michelle worked tirelessly at the flood evacuation operation...
centre. She did not go home until the centre had closed—a true commitment to helping those in our community.

As I have said in this place before, Longman is the best place in the world to live, not only because of our beautiful natural landscapes and enjoyable lifestyle but because of our binding sense of community. Again, I offer my congratulations to all of the finalists and winners of the Longman Awards and thank them for their dedicated efforts, which make our community the best place in the world to live.

**Braddon Electorate: Penguin Composites**

Mr SIDEBOTTOM (Braddon) (16:15): On 10 June, last Friday, I had the great honour of officially opening the extensions to Penguin Composites in the beautiful township of Penguin. Penguin Composites were one of 36 successful projects under the North West and Northern Tasmania Innovation and Investment Fund, which I have spoken about on several occasions in this place, with a total commitment of $35.4 million. In essence, the innovation fund asked proponents to put their own skin into the project and, of course, put up a viable business case; they were to be sustainable businesses into the future and, most importantly, able to provide further employment.

Penguin Composites have been able to do that. They started off in 1977 as a fibreglass-manufacturing shop in Main Road, Penguin. Their chief executive, Mr John van der Woude, started by making goods for the outdoor and adventure industry and quickly established a fine reputation for producing high-quality fibreglass products. John also has a successful surf and water activities retail outlet in Devonport. Needless to say, in time the company outgrew its Main Road premises and moved to the present five-acre South Road site, where they have continued to expand.

Penguin Composites manufactures items for the mining industry and components for underground and above-ground mining vehicles. They build and repair marine vessels, caravans and slide-on camper vans, and make wound composite vessels for use in domestic and industrial waste and liquid storage situations. The company, interestingly enough, is also expanding operations to produce composite poles such as power poles. These are not only interesting in terms of their technology; they are low-impact poles and of course have a tremendous resilience quality, particularly in areas prone to flooding and fires. So I look forward to the development of this product.

Penguin Composites received $1.275 million from the innovation and investment fund, and with their own moneys the total project expenditure is around $3 million. They have also increased their workforce to 56 and look forward to increasing it to 85 in the next 18 months. So I congratulate them on their excellent enterprise.

**Wright Electorate: Queensland Floods**

Mr BUCHHOLZ (Wright) (16:18): I rise to inform the House of the latest proceedings unfolding in the electorate of Wright, in particular in the Lockyer Valley, after the devastating floods that we had on 10 January. I am very proud to inform the House that one of the little businesses there, the little service station, the cornerstone of the Grantham community, which was a pub, a service station and a corner shop, proudly reopened its doors on the weekend. I was at the official opening where we cut the ribbon. It is significant for the community to have that business back and operational. It just means that the mums and dads of that...
community no longer have to travel a 30- or 40-kilometre round trip to go and get fuel for the car. The small incidentals that go with that service station mean that we are starting to get people back into a routine—a routine of going down and getting the papers or going down and getting milk, a routine which has been absent from their lives for a number of months. At the opening, we had 94.9 radio there to run it over the radio for the weekend. We had face painting for the kids. We had the rural fire brigade there and a number of other stalls that came out in support of the community.

In a wider and significant step forward, the community has also been granted, with the wonderful support of the Lockyer Valley Regional Council, headed up by Steve Jones, a 30-acre portion of land—some higher land. The council has broken that up into house lots. Mums and dads are coming to the realisation that the original houses that they lived and grew up in have been condemned as a result of the devastating floods, and their lives are at a stalemate because the insurance companies are not going to give them their money unless they have somewhere to rebuild a house, depending on the terms of their insurance policies. So the council are on the front foot, taking those houses back and doing a land swap. They are saying: ‘Get your insurance money and rebuild up on top of the hill.’

I want to take this opportunity to commend the way that the council have treated this situation in a proactive manner. The amount of compliance that has been sped up from a council perspective in that area is overwhelming. A similar subdevelopment could have taken as much as two years, but this community got together on this priority and is working well. I will continue to keep the House updated on improvements as they come to hand.

**Geelong: Eastern Beach**

Mr MARLES (Corio—Parliamentary Secretary for Pacific Island Affairs) (16:21): I have spoken in this House before about the richness and beauty of Geelong's built heritage. Our bayside is blessed with many fine buildings that chart its history as a 19th century trading centre. One of the best examples is also the one that defines our city most completely: Eastern Beach. This Art Deco bathing precinct is quite simply iconic to our city. Built in the 1930s to provide a safe swimming environment for beachgoers, its beautiful Art Deco structures, children's wading pool and shark-proof swimming enclosure tell the story of a beachside town that even in those years was both a lifestyle destination and a welcoming holiday spot.

In the days before cars, Eastern Beach was the place to go swimming. It could handle 10,000 bathers and had its own tram connection to the city. These days, cars have made the Surf Coast beaches more accessible. There are also more municipal pools and backyard pools, but Eastern Beach has not lost its allure. During the summer months its grassy slopes are covered with groups of picnickers, its pools filled with swimmers and the dive tower crowded with teenagers. Over the last couple of years, and work is continuing today, restoration works have been undertaken, such as the new dive tower, the new seawall and the rebuilding of the children's wading pool. A large part of this work has been funded by the federal government in cooperation with state and local governments, because we are all committed to ensuring Eastern Beach continues to provide enjoyment for generations to come. With these works, Eastern Beach is starting to look a treat.

Back on 27 May 2009, I first called for Eastern Beach to be included on Australia's National Heritage List. At the time I noted that there was nothing in Geelong included on this list, which really is a huge gap in the National Heritage List, given Geelong's very significant
contribution to our nation's history. Eastern Beach, I believe, would be an excellent candidate. So today I am thrilled to be able to report to the House that Eastern Beach has been nominated by the City of Greater Geelong for inclusion on the National Heritage List. If successful, Eastern Beach would join the Great Barrier Reef, Bondi Beach, Kakadu National Park and Echuca Wharf as places of national significance to our heritage.

Earlier this year, in April, the Great Ocean Road was rightly added to that list, giving the Greater Geelong region a presence on the list for the first time. It is my sincere hope that Eastern Beach, in the heart of Geelong, will also meet the criteria of the assessment panel. It is a process that will take some months, but we have made the critical first step. Having Eastern Beach added to the National Heritage List would tell the rest of Australia what we have all known for decades. Eastern Beach is used and it is loved. It is one of our city's greatest icons and greatest images. As the MCG is to Melbourne, Eastern Beach is to Geelong. It is the story of us and our city.

International Women's Day

Mrs PRENTICE (Ryan) (16:24): I recently had the pleasure of attending the 100th birthday party of my constituent Mrs Lily Sladen. She told me that the major change in her lifetime could best be summed up by the congratulatory letters she received from the Governor-General, the Prime Minister, her federal member, the state Governor, the Premier, her state member and her city councillor—all of them women. She was delighted by this enormous shift in the place of women in our society. One month later, another important centenary was celebrated—International Women's Day. These two events brought into sharp focus the issue of true equality and reminded me of one area where there is still considerable inequality. In Australia women earn 17 per cent less than their male counterparts. On average, Australian women earn up to $1.2 million less over their working life than men. To properly assess the representation of women in the Australian labour force, it is important to look at two factors: the hours a woman works and whether or not she has children. Under our social structure and values a woman will generally spend a period of time out of the workforce having children, and her work flexibility will subsequently decrease over the next 18 to 25 years as she raises a family. This may seem to be a generalisation, but it is still a fairly accurate reflection of our current society. Women are still considered the primary caregiver and are even legislated as such under the new Paid Parental Leave scheme.

Of the barriers to women with children being an effective part of the workforce, child care is the obvious example. The Australian industry does not offer employed mothers flexibility. The result is that about 11 per cent of women choose not to return to work and have childcare fees erode their entire income. The result is fewer women in the workforce and less ability for those who are in the workforce to work the same hours as their male counterparts.

In Australia men work approximately 48 hours a week to women's 42. Put simply that is six hours more to be productive and to rise to the top of your profession. To support women's rights and equity, we need to look at why women are paid less. If having children, hours of work and occupational selection go some way to explain the discrepancy, we can find solutions. Increased access to flexible child care will help, flexible work hours will help and the provision of incentives for young women to enter traditionally male dominated areas of study will help. And women who have an equal or better pay packet than their partners will be able to afford to encourage fathers who wish to stay at home to raise their children to do so.
During this centenary year of International Women's Day let us celebrate women but keep in our minds what we are yet to achieve. If we do not, we will continue to underestimate this problem and, in doing so, undervalue women.

Newcastle Electorate: Primary Health Care

Ms GRIERSON (Newcastle) (16:27): I note the member for Ryan's acknowledgement of the work of women. I felt exhausted listening to it but it is very true that there is more to do. I wish to draw attention to primary health care—that is, medical care provided outside the hospital system—which is of course the front line of Australia's health system. If our primary health services are not working properly, then no other part of our health system will work properly. It is the part of the health system that Australians use most frequently. For example, more than four out of five Australians see a GP or other primary healthcare provider at least once a year. It is where good health care and good health policy should always begin. That is why improving primary health care in Australia is one of the highest priorities of the federal Labor government. It is also why I am delighted that a health service in my electorate, the Hunter Urban Division of General Practice—better known as GP Access—has been selected as one of Australia's first 15 Medicare Locals.

Medicare Locals will play a major role improving health services on the ground across Australia. They are selected from already high-performing divisions of general practice with a proven ability to deliver results for local patients. To quote Minister Roxon, effective primary health care means patients getting the services they need close to their homes—getting the right care at the right time. So it is absolutely no surprise that GP Access was among the first 15 selected in Australia for this groundbreaking initiative. GP Access already has a long and proud record of delivering innovative, high-quality and locally based health services to the people of Newcastle and the Hunter region. To date, its flagship has been its after-hours service, which provides comprehensive after-hours primary health services for patients in the Hunter region. The service was established in Maitland in 1999 but has since spread its wings with new clinics in Toronto, Belmont, John Hunter Hospital and Newcastle. I know from personal experience that it has provided invaluable support to countless families and individuals seeking urgent health assistance on weekends and evenings. In doing so, it has provided an alternative to hospital emergency wards and has taken a significant burden off the shoulders of hospitals in the Newcastle region.

GP Access performance statistics speak for themselves. From humble beginnings they now boast a workforce of around 240 GPs. Each year around 100,000 patients receive attention through their telephone advice line, and around 50,000 patients are cared for annually in one of their clinics. In total, GP Access manages the care of at least 10,000 patients who would otherwise be forced to seek assistance in hospital emergency departments. So it is true to say that GP Access has already been providing a model for the high-quality services that we expect our system of Medicare Locals to eventually deliver across the nation. In my electorate they are also involved in the e-record trial and I am confident that will provide effective solutions that will also be run out across the nation to improve access and portability of patient records.

I wish to thank the Minister for Health and Ageing, Nicola Roxon, for her work in pioneering the system of Medicare Locals and I acknowledge the work of GP Access CEO Dr Mark Foster; Ms Karen Howard, the chair; and the GP Access board as well as GP services
and administrative staff for their enormous contribution to the health care of people in my electorate.

The DEPUTY SPEAKER (Ms AE Burke): In accordance with standing order 193 the time for members' constituency statements has concluded.

BILLS

Appropriation Bill (No. 1) 2011-2012

Consideration in Detail

Debate resumed.

Mr CLARE (Blaxland—Minister for Defence Materiel) (16:30): Madam Deputy Speaker, I suggest that the order for the consideration of the proposed expenditures agreed to by the House previously be varied by considering the proposed expenditure for the Infrastructure and Transport Portfolio after the Sustainability, Environment, Water, Population and Communities Portfolio.

The DEPUTY SPEAKER (Ms AE Burke): Is the suggestion of the minister agreed to? There being no objection, that course will be followed.

Defence Portfolio

Proposed expenditure, $24,003,348,000

Mr CLARE (Blaxland—Minister for Defence Materiel) (16:31): I would like to take this opportunity to make some introductory remarks about the Defence budget. The first priority of the Defence budget is to support our servicemen and servicewomen deployed overseas. It is important to reinforce this message at a time when the ADF is coming to terms with the loss of four of our brave service personnel in the space of just two weeks. I would like to associate myself with the remarks of the Prime Minister, the Leader of the Opposition, the Minister for Defence and the member for Fadden in the House of Representatives today and I would like to extend my condolences to the family, friends and comrades of Sapper Rowan Robinson, as well as to those of Sergeant Brett Wood, Lance Corporal Andrew Jones and Lieutenant Marcus Sean Case.

The budget includes a total of $1.9 billion for ADF operations next year to fund our troops operating in Afghanistan, East Timor and the Solomon Islands. It also continues the government's total investment of $1.6 billion in force protection measures for our troops in Afghanistan, with nearly half a billion to be spent in the next 12 months. This new equipment includes the new TBAS lighter combat armour that will go with the Third Mentoring Task Force, which is deploying at the moment. It also includes heavier calibre weapons and extra protective armour for our Bushmaster protected mobility vehicles, attaching of mine rollers to the front of those Bushmasters to roll ahead of the vehicle and take the impact of an IED explosion, as well as the delivery of the counter rocket, artillery and mortar early sense and warn system and new handheld mine detectors.

In addition to this, the Minister for Defence and I today announced that the government will contribute more than $9 million towards research for the protection of soldiers of the Australian Defence Force. Along with this government contribution, industry will provide around $11 million in cash-and-kind contributions. The project is a partnership between government, the defence industry and some prominent research organisations. The project
aims to improve the protective equipment that our soldiers wear to combat a range of existing and evolving threats, including IEDs. It will develop, test and evaluate prototypes of new equipment in order to improve ballistic blast and flash protection, improve head, face and eye protection, decrease the weight and bulk of protective systems, reduce blunt trauma that can occur behind armour, reduce the risk of a soldier being detected and improve the protection from fire, chemical, biological and radiological threats.

The Defence Materials Technology Centre will lead the team, with the support of research organisations like the University of Wollongong and RMIT. Confirmed industry partners include Australian Defence Apparel, Ballistic and Mechanical Testing, Bruck Textiles, Tectonica, Pacific Engineering Systems International and the Victorian Centre for Advanced Materials Manufacturing. In addition to this, a number of other companies have expressed an interest in participating in the program. The research team will also work with Army's specialist team of soldiers who have recently returned from Afghanistan, called Diggerworks.

The government's first priority is to support our troops on operations. The budget also recognises that Defence needs to play its part in the government's overall fiscal strategy to return the budget to surplus in 2012-13. This year Defence will return to government $1.6 billion in unspent funds for the budget bottom line. The 2010-11 underspend of $1.6 billion is a combination of slippage in major capital projects, savings in operating funds and a saving on the cost of the new C17 aircraft. In addition, Defence will deliver savings to government of $2.7 billion across the forward estimates. This includes savings of $1.3 billion from additional reforms and efficiencies such as increased shared services and other efficiency measures by reducing the growth of Defence's civilian staffing by 1,000. It also includes reprogramming of $1.3 billion in capital funding and $100 million savings from the cancellation of procurement of two additional C130J aircraft following the government's acquisition of a fifth C17 aircraft. (Extension of time granted) Some concerns have been raised about the impact of the budget on the defence industry, and I would like to make a few short points.

The first point I make is that most of the changes in the AMCIP are because a number of projects are behind schedule. This money is paid to companies when they meet certain milestones, and unfortunately some of those milestones have not been met yet. Examples of those are projects like the new air-to-air refuellers, the Wedgetail early warning and control aircraft and the replacement helicopter for our Blackhawks. These projects are behind schedule and, as a result, payments have not been made. That means that money is rolled over or deferred in the Defence budget into later years.

The second point is that over the course of the next decade we are going to spend more, not less, on defence here in Australia. Defence spending in Australia will go from about $5.5 billion to $7.5 billion per year by the end of the decade. The third important point to mention is that the majority of work that is done by Australia's defence industry is in sustaining our defence assets. Defence's maintenance budget is forecast to grow from $5.3 billion, as it is this financial year, to $5.6 billion next financial year, and it will grow to $6.1 billion in 2014-15. This means more work for Australian industry, because 70 to 75 per cent of that work is done by Australian companies.

Finally, I want to briefly address the issues that were raised on the Four Corners program last night. The allegations raised in that program are very concerning and will be investigated as part of the review of allegations of sexual and other abuse that are being undertaken by
DLA Piper. The Secretary to the Department of Defence has engaged the independent legal firm DLA Piper to review each allegation raised to determine the most appropriate way for these complaints to be addressed and whether further independent action is required to deal with any such matters. It is important to note that anyone who wishes to raise concerns about sexual or other abuse should do that by contacting DLA Piper on the following number: 1800424991.

Mr ROBERT (Fadden) (16:39): I thank the Minister for Defence Materiel for his agreement that we can be civilised about our affairs in the House. If I could refer the minister to page 6 of *The cost of Defence: ASPI Defence budget brief 2011-2012*, it states: 'Implementation of Force 2030 is on track but under pressure.' No such claim appears anywhere in this year's budget paraphernalia. Nor, however, is there any concession to the contrary. Indeed, Defence distributed a brief on budget night that said that the majority of adjustments to funding for Force 2030 projects in the budget involve projects commencing before the 2009 Defence white paper. Unless anyone be confused, they reiterate the same point four times on the one page, as if only the handful of projects commenced after the 2009 white paper count towards Force 2030.

They can change the goalposts all they want, but the fact remains that the implementation of Force 2030 has fallen steadily behind schedule. First pass approvals, the lead indicators of future activity, are most telling. Over the past 24 months a mere 10 projects have been given the nod, whereas more than three times that number were planned. And it is set to get worse. According to the latest revision of the public DCP, around 58 first pass approvals are going to be required over the next 25 months to meet the current schedule, as updated in this year's budget. The question, Minister, is: in the 2011-12 financial year, how many first pass approvals do you actually believe the government will see passed within the apparatus of government?

Mr CLARE (Blaxland—Minister for Defence Materiel) (16:40): I thank the member for Fadden for his question. It is a question that was raised in estimates by the shadow minister for defence, and I might refer the member to the answer that the Secretary of Defence gave in terms of Defence's commitment to increasing the number of projects, both first and second pass, that will be approved by the government, with the assistance of Defence, in the next financial year.

Can I say something generally about Force 2030. It is a big challenge. Implementing it is going to require the ongoing focus of government, Defence and the defence industry. The government remains committed to delivering Force 2030 as set out in the white paper and the DCP. It is important to note that since coming to office the government has approved projects worth over $8 billion and over the course of the next 12 to 18 months the government intends to approve projects worth over $6 billion, including the new naval combat helicopter as well as the new protected medium to heavy weight trucks for the Army. The government is focused on delivering the program that is set out in the white paper, but what is even more important is making sure that we get it right. I, like the Minister for Defence—and I am sure the shadow minister would agree with me here—believe that it is more important to take time and get these projects right than it is to have to fix them up afterwards.

A lot of work has been done over the last few years to improve defence procurement, but there is still a lot more work to do. One of the biggest challenges that Defence faces now and
has faced in the past is that of delay. If we buy equipment off the shelf, more than likely it arrives on time and on budget. If we are buying equipment that needs to be modified, on average that equipment is about 23 per cent late. If we are buying equipment that is developmental, then on average that equipment is about 66 per cent late. Right across the suite of defence projects at the moment, on average projects are delivered about 20 per cent late. That is better than the United Kingdom does and it is better than the United States does, but that does not mean that it is good enough. It is vital that we provide the right equipment to our men and women of the Australian Defence Force and that we do it on time. We make big decisions that have strategic consequences and enormous financial implications, and the government will not apologise for taking the appropriate time to consider these important issues when investing billions of dollars of taxpayers' money. There is a lot more that we can do to make Defence more efficient and to improve defence procurement. The Minister for Defence and I announced the first stage of these reforms last month, including requiring Defence to do a cost-benefit analysis if they recommend government does not buy a piece of equipment off the shelf. It also includes an early warning system that is triggered if a project starts to fall behind schedule. The simple reason for this is that the earlier we get that information the earlier we can take action to fix the problem.

An important part of the reforms that were announced by the minister and me last month was the implementation of the Mortimer recommendations. By and large the recommendations set out in Malcolm Kinnaird's report from 2003 have been implemented and are having a major and positive impact on defence procurement. Some of the Mortimer recommendations have been implemented, but not all, and the government has made it very clear to Defence that it expects those to be implemented as a matter of priority. The key recommendations include the one I spoke of, the cost-benefit analysis for projects that are not off the shelf. They also include establishing project directives to provide clear direction to defence on decisions made by the government regarding defence capabilities. They also involve establishing an independent project performance office, regular accountability reporting to government from capability managers, and creating a more disciplined process for changing the scope of a project. In addition to that, we have also written to the Auditor-General asking that the Auditor-General conduct its planned audit of the implementation of the Mortimer report in the second half of this year. All of these things, plus the other reforms we announced on that day, are important parts of improving defence procurement because, as well as getting projects approved, it is important that we get them off to the right start, approve the right projects and identify where problems emerge early so that we can fix them more quickly.

Mr ROBERT (Fadden) (16:45): Minister, in terms of project deferral, some commentators have mentioned that since Labor came to government the project deferrals have now topped about $14 billion worth of projects that have been pushed to the right. I ask the Minister for Defence Materiel to take on notice to provide to the parliament a list of every project that has been deferred, including its capital value and from when it was supposed to deliver to when it will deliver. I leave that on notice with the minister.

I will now look at some issues with respect to that. Considering that there is now a significant bubble of projects to achieve Force 2030 being pushed to the right, Minister, what extra percentage of work can DMO manage? Can it actually manage that bubble coming to
the right? Also, what percentage can industry manage both locally and globally to deal with that impending bubble?

The DEPUTY SPEAKER (Ms AE Burke): For the information of the member for Fadden and everybody else, we still go through the chair for this process. I know it sounds ridiculous, but could you speak through me; otherwise, Hansard finds it a bit—

Mr Robert interjecting—

The DEPUTY SPEAKER: No, it is all right; it is an easy mistake. In the setting it makes more sense to do what you have done, but the technicality of the standing orders requires something different.

Mr CLARE (Blaxland—Minister for Defence Materiel) (16:46): At the request of the shadow minister for defence science, technology and personnel, I will take that question on notice. With respect to the white paper, I mentioned in my comments in response to his previous question that I recognise that implementation of the white paper is a big challenge and it is going to require the focus and attention of both Defence and industry and, for that matter, the government. The work required is going to require an enormous amount of DMO, as it is of industry, and we will only be successful in its implementation if we work together.

An important part of that is the Capability Development Advisory Forum, sometimes referred to as CDAF. This is an important forum where Defence and industry can work together and look through the projects that are in the DCP to make sure that industry is capable of ramping up to meet the requirements of the projects set out in the DCP. My impression upon taking this office is that the CDAF has not been working as effectively as it should or as it could. I announced at the ADM conference in February that I want that organisation to be reinvigorated. Most particularly, I want to see the reinvigoration of the working groups that sit under it for land, sea and air. This should be a forum where industry is not just lectured to. It should be a forum where industry works cooperatively with Defence to make sure that it not only understands what the projects are in the forward plan for Defence but understands and can provide advice to Defence about how to smooth out the rollout of those projects and improve the pipeline of projects. I do not underestimate the challenge. It is a significant one. One of the ways to assist Defence and assist industry in the implementation of Force 2030 is by working together, and the CDAF is an important part of that.

Mr ROBERT (Fadden) (16:49): Minister, considering that in the last three years of the Howard government the number of first-pass project approvals through cabinet was something like 30 per annum, give or take, why has the average of your government been 10, and how can the parliament have confidence that you have the capacity to ramp it up going forward?

Mr CLARE (Blaxland—Minister for Defence Materiel) (16:49): I thank the member for Fadden for his question. He is very experienced in this area and so would know that defence acquisition is a cyclical or a chunky business. You have a lot of projects sometimes go to second pass, which can lead to a big ramp-up for industry, and then there is a gap and then there is another big increase in second pass projects. If you look at a number of projects approved by the Howard government in 2007, that is a good example of that. It is a challenge for industry worldwide. I know that the member for Fadden, like myself, is concerned about Australian industry. What is important to point out is that, unlike acquisition, which can be a
chunky business, the sustainment of defence equipment is not as cyclical and is a lot smoother. As I said in my introductory comments, most of the Australian defence industry works in the area of sustainment. About 70 to 75 per cent of sustainment is done by the defence industry and about 75 per cent of Australian industry's work is in sustainment. That has continued to grow over the course of the forward estimates. From $5.3 billion this financial year it will grow to $5.6 billion in 2011-12. In the year 2014-15 that will grow again to $6.1 billion, which is a significant increase over time and will be of enormous assistance to the defence industry.

Mr ROBERT (Fadden) (16:51): There has been much media commentary with respect to the impact on Force 2030. Indeed, General Molan only yesterday came out to say that in his view Force 2030 is almost unachievable now because of the level of deferment to the right. As the minister, what is your ministerial and indeed professional view on your government's capacity now to achieve Force 2030 considering that projects have been pushed to the right?

Mr CLARE (Blaxland—Minister for Defence Materiel) (16:51): I think I have answered that question in my responses to previous questions. I made it quite clear that I believe this is a significant challenge but one that can be implemented with the focus of defence government and industry working together. You talked about projects moving to the right. There are a lot of reasons why money has been deferred in this budget, by and large because projects are running late. If you go to page 109 of the ASPI paper, ASPI makes the point that about 80 per cent of the movement of money to the right has to do with projects running late. When projects run late, industry responsible for those projects do not get paid and money rolls over to different financial years.

A good example of that is the air-to-air refuellers project, where there has been a deferral of $316 million for the acquisition of five air-to-air refuellers due to schedule delays, including in relation to deficiencies in the refuelling system, which recently suffered an in-flight failure. The multirole helicopters, the MRH90s, are another example where there has been a deferral of $93 million for the acquisition of 46 MRH90 helicopters. Technical issues there include engine and system reliability that have led to poor flying rates and the project being delayed. New facilities for the Army's 3rd Battalion involve the deferral of $43 million for facility construction and upgrades due to continued wet weather, site identification delays in Townsville and delays in the tender process. At Singleton new accommodation, working and security upgrades at RAAF Base Amberley involve the deferral of $23.3 million due to unexpected environmental and heritage assessment work and a dispute with the contractor. Some of the other materiel projects which are running behind schedule, and as a consequence money has been deferred, include the armed reconnaissance helicopter, where there has been a deferral of $17 million; the high-capacity communications satellite project, where there has been a deferral of $70 million; the Wedgetail project, otherwise known as the airborne early warning and control aircraft project, where there has been a deferral of $61 million; and the air warfare destroyer project, where there has been a deferral of $55 million. There has also been slippage about across 25 minor projects which total about $178 million. This is, I guess, the nub of the challenge. These are big projects listed in the DCP. Where delay occurs, industry does not get paid and money slips to future years. The challenge for us collectively is to improve schedule and reduce delay. As I said in my answer to a previous question, this is what focuses my attention. We do better than the United States and we do better than the
United Kingdom when it comes to delay but I do not think that is good enough. The reforms that the government is focused on are all about trying to make sure that we get projects right when they are approved by the national security committee of the cabinet and where problems are identified that they are identified early. The earlier you identify them, the earlier they can be fixed.

Mr ROBERT (Fadden) (16:55): I have always wanted to ask you a question, Minister, regarding phase 1B of the AIR 7000 to see if you are across the 300 or 400 projects. Phase 1B is, of course, the multimission unmanned aerial vehicles, the strategic UAE capability. In 2006 the estimated year of decision for the unmanned aerials was 2007-08 and anticipated costs were $1 billion to $1.5 billion. The 2009 DCP now has the year of decision going out to 2019, a slippage of 11 years. Can the minister possibly explain the strategic rationale for a slippage of 11 years in terms of what is a high-end maritime surveillance capability?

Mr CLARE (Blaxland—Minister for Defence Materiel) (16:56): I thank the member for Fadden for his question. I presume you are talking about Global Hawk.

Mr ROBERT: Heaven forbid the military situate the appreciation, Minister, in terms of what capability it should be. It was simply a strategic UAE program, of which Global Hawk is one such system I am sure the government could look to acquire.

Mr CLARE: I mentioned Global Hawk because I understand that the opposition's election policy at the last election specified that as being potentially the piece of unmanned aircraft equipment that could fill this gap in the capability program. For the information of the member, I visited US Naval Air Command in Maryland and spoke to the US Navy about this project when I was in the United States in December. I also met with Northrop Grumman, who are the people who build Global Hawk, which is a potential piece of equipment to meet this capability. I discussed this with them while visiting their facility in Bethpage.

Their advice to me is that the current Global Hawk is not the right aircraft for what we need. That is because Global Hawk only has limited radar and sensors designed for surveillance in built-up areas and mountainous terrain. That is why the US Air Force use it mostly over land. It is why the US Navy is investing in developing a new version specifically for use over coastal areas and in open ocean patrols. Northrop Grumman is developing this new variant of Global Hawk, expected to be called Triton. That will have radars and sensors specifically designed for maritime use. It will have endurance to patrol thousands of kilometres at a time. Its sensors will give a 360-degree view of activity on the ocean surface. Once Triton is fully developed, and it is still in its development stage, we look forward to looking at the project carefully in the context of our commitments in the DCP to acquire an unmanned aircraft for maritime patrols. I think that probably covers it.

Mr ROBERT (Fadden) (16:59): With respect, Minister, it does not make a difference how carefully you look at it, you have slipped it 11 years in the DCP. The question remains: what is the strategic rationale for slipping a high-end unmanned, high-altitude, low-endurance surveillance capability? What is the strategic rationale for slipping it 11 years?

Mr CLARE (Blaxland—Minister for Defence Materiel) (16:59): I thank the member for Fadden for his question. The strategic rationale is this: if it does not exist, you cannot buy it.

Mr ROBERT (Fadden) (16:59): Perhaps, Minister, the government is just broke. But, let us move on, shall we? With respect to LAND 121 phase 3, being the light truck phase, and
phase 4, being ostensibly the JLTV—let us call it—could you provide advice as to when decisions are being made on phase 3 and phase 4 of LAND 121?

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:00): I am very happy to do that, plus provide a bit of additional information which the member for Fadden may be interested in. On 12 May the Minister for Defence and I announced the government had approved the purchase of 101 Bushmasters. The Bushmaster is an outstanding vehicle. It has saved dozens of Australian lives. The workers at the Bendigo factory that build the Bushmaster are doing a great job, and I have been down there, like the member for Fadden, to thank them for the work that they do. The purchase of an additional 101 Bushmasters provides for operational attrition. Thirty-one Bushmasters have been damaged beyond repair in recent years and their replacement with a further 70 vehicles will support current and future operations. This announcement obviously has flow-on effects for Thales and their workforce in Bendigo.

The member asked about the timing of LAND 121 phase 3. I can advise the member that Defence has now tested the vehicles supplied as part of the tender evaluation process and Defence will next make recommendations and put these to the government for consideration. This has not happened yet but is expected to take place in the coming months. The member also asked some questions in relation to phase 4. This is a program that has two parts to it: the JLTV program as well as the 'manufactured and supported in Australia' part of that program. The testing and analysis part of the program for this phase of 121 is expected to be completed in the third quarter of 2011.

Mr ROBERT (Fadden) (17:01): Minister, you referred to the 101 extra Bushmasters, but the question is: are they the enhanced Bushmaster? As you are aware, the Brits requested a range of up-armouring, especially under the leg platforms, where drivers and co-drivers sit. Are those 101 Bushmasters getting the level of enhancement that the Brits are getting with their order?

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:02): I thank the member for Fadden for his question. The best way to answer this question is to at first direct the member to the press release that Minister Smith and I issued, which indicates that we are doing some work with Thales and the team at Bendigo for the potential to do additional work on the Bushmaster which will take it to an extra STANAG level. That work is being done with Thales. If we are confident that the work can be done and it will be effective, then we will enter into an agreement with Thales. That is work that is currently being done between DMO and Thales.

Mr ROBERT (Fadden) (17:03): With respect to LAND 121 phase 4, the government initially, to their great shame, put $40 million into development as part of the Joint Light Tactical Vehicle program with the US looking at, I believe, nine prototypes of vehicles. Considering none of those prototypes are actually going forward into the final JLTV bill with the US, can the minister explain what exact value the Commonwealth got for its $40 million worth of expenditure?

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:03): I thank the member for Fadden for his question. The JLTV program is a United States Army led multiservice initiative to develop a family of future light tactical vehicles. The program aims to deliver around 60,000 vehicles to the United States Army and Marine Corps. To date, as the member
has said, Australia has been participating in the technology development phase of the program as part of LAND 121 phase 4. LAND 121 phase 4 will provide the Australian Defence Force with a light, protected mobility vehicle which will serve as the platform for specialist roles such as reconnaissance, electronic warfare, and command and control. Our participation in the JLTV program commenced in January 2009. The cost to date of that participation is around $40 million. Participation in the technology development phase has not committed Australia to a particular way forward for the project, and that decision will be a matter for government. The technology development phase is now complete. Defence is now negotiating with the US government to determine the potential benefits and costs of Australian participation in the next phase, the engineering development phase, of the JLTV program. This consideration will include the compatibility of potential JLTV solutions with Australian requirements and the schedule implications of participating in the program. Part of this consideration as well would include exploring avenues for Australian industry participation in the overall JLTV program.

Mr ZAPPIA (Makin) (17:05): Minister, last month when you came to South Australia as part of the community cabinet you heard from Chris Burns from the Defence Teaming Centre in South Australia. Chris represents, I believe, about 130 organisations that have a very keen interest in the defence sector in South Australia. In fact, in South Australia the defence sector is one of the key employer groups, as you would quite rightly understand. It is very significant to the northern region of Adelaide, part of which I represent. In conjunction with the Royal Australian Air Force base that is out there—and now the relocation of the 7RAA battalion to the defence base—and the DSTO, there are considerable employment opportunities in that sector broadly, and that is further enhanced by some of the organisations that are now based in Technology Park in Mawson Lakes. I am also aware that General Dynamics is located in the Mawson Lakes precinct and has also been a major contributor to the defence employment sector in South Australia.

I know that there had been some concerns expressed by some of the defence related industries in South Australia with respect to some of the ongoing work that has originated from the many contracts that South Australia has been able to secure. I know that, as part of your visit to South Australia, you had intended to speak with Chris Burns, to perhaps give him an update as to how some of those contracts were going and in particular to provide him with information, which I believe you did, about the security of some of those contracts and the ongoing employment that they provide for South Australians.

I was wondering if you would be able to update the House on your discussion with Chris Burns and in particular some of the important defence contracts that South Australia is currently engaged in. While you are at it perhaps you could also update the House with respect to the bid by General Dynamics to also win one of those contracts, which I know they have been seeking to do for some time and which I know was critical to their ongoing operations in the Mawson Lakes precinct. I have visited General Dynamics in the past. I know that they have been involved in providing defence equipment for the government for several years now, but I know that there was also a recent contract that would have been very crucial to their ongoing operations.

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:08): I thank the member for his question. It was only recently that I was in the member for Makin's electorate as part of the community cabinet. He rightly points out that I had a good opportunity to have a
discussion with Chris Burns. I met Chris on a previous occasion, when I went down to South Australia to talk about the defence issues specific to South Australia. South Australia is sometimes referred to as the 'defence state', and with good reason: there are a great number of defence projects in South Australia, including the sustainment of the Collins submarine fleet and the construction of a large number of blocks for the AWD project, as well as their eventual consolidation. We did talk about the General Dynamics through-life support contract for the maintenance of our LAVs and our Abrams tanks, and I am pleased to advise the member that that contract has now been entered into by Defence and GD. It was entered into late last month. That is an important contract not only for GD but for the people of South Australia. It will employ dozens of South Australians as well as people in the Northern Territory and in other parts of the country.

The other point that I made to Chris in my conversation with him at the community cabinet—it is one that I have made to the member for Fadden in our discussion here this afternoon—was about growth in the sustainment budget. Most Australian defence companies work in sustainment, or the maintenance of our defence equipment. The sustainment budget is growing, from $5.3 billion this financial year to $5.6 billion next financial year, and up to $6.1 billion in 2014-15. Seventy to 75 per cent of what the defence industry in Australia does is in this space, so that growth in the maintenance budget means good things for South Australia and good things for the defence industry.

Mr ROBERT (Fadden) (17:11): With reference to Land 121 phase 3, as you are aware, Minister, the decision was initially due in October last year, and it was then pushed to after Christmas. You have made the statement that it will be delivered in the second half of this year. As you would be aware, before the announcement of the 101 extra Bushmasters, there would have been no work for the 300-odd men and women at Thales by August this year. The announcement of the extra Bushmasters has thrown them a lifeline, until the end of the year. If Thales do not win the contract, they have only a number of months to find other work before, again, 300 people in Bendigo are put out of work. My question to you is a simple one, Minister: why has there been literally a 12-month delay on the appointment of the winning tenderer for Land 121 phase 3?

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:12): I thank the member for Fadden for his question. He talks about whether Thales might win that contract. I cannot talk to that as it is a tender that is still to be determined by government. He talks about delays. It is true that there have been delays. This project was originally tendered by the former government back in 2005. At that time the tender was won by BAE.

When we came to government this project had to be reentered because of mistakes that were made in the original tender. The resubmission of tenders was due to increased technical cost and schedule risk as well as concerns about BAE's capability to deliver against the tendered offer. If this project had not been reentered at that time then the workers at Bendigo who make the Bushmasters would not even be in the race for this work now. The member for Fadden talks about delays and about work at the Bendigo factory—they would not even be in the race for this work, they would not even have the opportunity to win this tender, if we had not reentered it, because the former government gave the work to someone else.

Mr ZAPPIA (Makin) (17:13): Minister, you may or may not be able to answer my question. I refer you to the fact that the Royal Australian Air Force base at Edinburgh is
currently doing some reconfiguration of the flight path zones in and around the base. I am also aware that the City of Salisbury has been looking to rezone some land adjacent to the base but, quite properly, cannot do so until the flight paths have been properly marked out and identified because of the noise exposure forecasts that are created by them. I ask you whether you are familiar with the current process. If you are, can you provide me with any advice as to when those noise exposure forecasts might be finalised by the air base so that the City of Salisbury can get on with the planning of the surrounding land?

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:14): I thank the member for Makin for his question. I am sorry; I do not have that information to hand at this time, but I can give you the undertaking that I will seek that information and provide it directly to you.

Mr ROBERT (Fadden) (17:14): Minister, going back to Land 121 phase 4, what is the current US estimate in price for a JLTV and what is the current Australian estimate in price for a manufacture in Australia option?

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:14): I thank the member for Fadden for his question. I do not have those details to hand, but I am happy to take that question on notice.

Mr ROBERT (Fadden) (17:14): Perhaps I can move to priority industry capabilities. Could you outline exactly how you think Australian industry has benefited from the PICs program? What industry specifically has benefited? How have they benefited? Can you give some tangible examples? And what funding have you provided into that?

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:15): I thank the member for Fadden for his question. I believe the PICs are important, because they help to identify the key, critical capabilities that the Defence Force needs to keep in country. I said at the ADM conference that they need to be more than just a list. We need to make certain that these PICs are healthy. So I announced at the ADM conference a health check to be done on all the priority industry capabilities that the government has identified. That work is ongoing. The first of those health checks is reaching a conclusion and I will be in a position in the next few weeks to release the details of those checks. I think that is important. It is important to have more than just a list; you have to know whether the capabilities are healthy, whether they are thriving or not and whether more work is needed to make sure that what we have identified as priority capabilities exist. That is an important piece of work the government is doing, and I look forward to sharing the outcomes of that work with the member for Fadden in the next few weeks.

Mr ROBERT (Fadden) (17:16): As we are aware, figures reveal that PTSD is on the rise. It does not take a rocket scientist to work out that our sustained combat operations in Afghanistan are having an effect. Could you provide an update on the status of the implementation of the Dunt review into mental health? Of the $83 million promised to improve health, how much is being spent and on what programs? And what is the status of the implementation of the review?

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:17): I thank the member for Fadden for this important question. Of the 52 recommendations made by the Dunt review, 49 were accepted unconditionally and three have been partially accepted. I am advised by Defence that implementation of the majority of these recommendations is now well
underway, with enhancement of the mental health workforce being the main priority. At the local regional service delivery level, the remaining 24 of the 55 positions are to be established and recruited for the delivery of mental health services. Regional mental health teams have been created in Darwin, Townsville, Brisbane, Sydney, Canberra, Melbourne, Adelaide and Perth. Regional mental health team coordinators and alcohol, tobacco and other drug coordinators have been appointed to staff the teams. Three clinical psychologists have also been recruited in Darwin, Brisbane and Melbourne.

At the national level, recruitment has commenced for the staff of the ADF mental health centre. This centre will support delivery of treatment programs, tertiary-level mental health consultancy, development of an e-mental health capability and mental health training for service providers. At the strategic level, additional staff members have been recruited to establish and expand the mental health reform programs, including mental health strategy and service delivery framework; alcohol, tobacco and other drugs; post-traumatic mental health; operational mental health; and prevention and resilience. Stigma and barriers to care will be further broken down by the enhanced mental health workforce, which will ensure that members have greater access to mental health support.

Mr ZAPPIA (Makin) (17:19): Minister, you may or may not be aware that within the Edinburgh precinct there is a military vehicle museum. It is a very good museum that was relocated from another part of Adelaide several years ago when I was the Mayor of Salisbury and gave the museum some assistance in finding a new home. It is put together by volunteers, who put an incredible amount of work, time and effort into not only making it available for the public but restoring many of the vehicles so that those people who want to take the time to go and have a look at them can take pride in what they see there. The vehicles date right back to World War I memorabilia and the like. In speaking to the volunteers recently, I was told that they were after a disused army tank and that they had some regrets that they were not able to get one in the past. I wonder if you could explain to me, so that I could pass it on to them, what the process is for putting in an application so that if one should come up in the future they could, in turn, place it in their museum.

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:20): I thank the member for Makin for his question and his interest in the disposal of military assets. He will be disappointed to hear that the disposal of and allocation to various RSLs of last of the Leopard tanks has now concluded. He may be interested to know that more military equipment—not the wheeled variety but howitzers and the like—will be available and offered to RSLs and other organisations by tender over the course of the next few months. If the member writes to me I will be able to provide him with the detail about how the organisation can put its name on a list so that they can make sure that when certain parts or pieces of military equipment come up for tender they are aware of it and can tender for that military equipment.

Mr ROBERT (Fadden) (17:21): Thank you, Minister, for your press release of today, 'Government and defence industry work together on soldier protection', which is welcome. Could you explain how this will actually work on the ground? How will the money be spent? How will industry benefit? How will they work together?

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:21): I thank the member for Fadden for his question. The money that the government will contribute is made up of two parts: one part from project 125 and the other part from the DSTO. As I mentioned in my
introductory comments, the $11 million is in cash and in kind from the different research
organisations and the industry bodies or companies that are involved in this project. It is a
project which will go over five years. It involves the development and prototyping of different
pieces of equipment and the testing of those pieces of equipment, the detail of which is
outlined in dot points in the press release. I recognise and understand the member for Fadden's
deep interest in this matter and I am very happy, if he likes, to organise for Defence to give
him a detailed briefing on how this will work and how it will roll out to ensure that it achieves
something very real and very beneficial for our men and women serving overseas.

Dr JENSEN (Tangney) (17:22): Minister, I have concerns about a variety of our
acquisitions. It is an issue of process that I am concerned about now, and I will use the Joint
Strike Fighter as an indicator. Let's just put aside the issue of capability. At the moment the
cost is probably at least double that which was originally suggested close to 10 years ago. It
will arrive at least eight years late. Defence keeps on with platitudes that everything is fine
with the program, yet we are having all sorts of opportunity costs that we have to meet, such
as the Super Hornet. What processes and milestones are you putting in place to ensure that
this is not a matter of an open chequebook, that this project does not just keep going on and
on with prices increasing more and more and schedules slipping further and further to the
right? As I said, this is an issue of process rather than necessarily specifically about the Joint
Strike Fighter.

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:24): I thank the member for
Tangney for his question and his long and sincere interest in this matter, in this particular
project and in reform of defence procurement more generally. Perhaps I can provide
you with some general information here and, if necessary, I am very happy to provide some more
specific detail in answer to your question at a later time.

Australia has adopted a conservative approach to the cost estimates for the Joint Strike
Fighter project. The advice from Defence is that it uses the official estimates provided by the
United States Department of Defense as the basis for our own estimates. Defence also advises
that contingency funding has always been included in our estimates. Australia is mitigating
any cost increase for the early aircraft by buying the minimum aircraft necessary to meet our
training commitments. This staged acquisition strategy, which commences with 14 aircraft,
allows time for the refinement of and the reduction in costs. Based on currently available
information, no changes to Australia's Joint Strike Fighter funding provisions are required at
this stage. On current plans, our first two aircraft will be delivered in 2014, to commence
initial pilot and maintainer training and to take part in operational test in the United States.
The balance of our first 14 aircraft will be delivered over the 2015-17 time frame. With the
program's extended test program it is likely that the United States Air Force will delay its in-
service of the Australian variant from mid-2016 to 2017, possibly to early 2018.

The Australian Defence Force is making good progress with the United States Air Force in
ensuring that information from the United States operational testing is available to Australia
to mitigate pressures on Australia achieving its planned in-service date of late 2018.

The member for Tangney talked about processes. I said in my introductory comments and
in my answers to the member for Fadden that one of the great challenges we have in defence
is delay and that, more often than not, projects run over schedule and the nature of the project
often determines how far it is over schedule. If you buy something off the shelf, on average, it
is delivered on time and on budget. If you buy something that is modified, Australianised, customised, then, on average, it is about 23 per cent late or 23 per cent over schedule. Where you are purchasing something which is first of type or developmental, on average, it is late by about 66 per cent. Across all of our major defence projects, the delay is in the order of 20 per cent. As I have said, that figure is better than that of the United States with respect to its major capital acquisition program. It is better than the United Kingdom's figure, but it is not good enough. Many of the reforms that I announced last month go to ensuring that we get projects right at the very start. An example of that is ensuring that, where we do not purchase a piece of military equipment off the shelf, proper due diligence and a proper cost-benefit analysis is undertaken and incorporated into the cabinet papers for National Security Committee of Cabinet justifying why you would divert from an off-the-shelf option.

It is important that we make the right decisions at the start of a project. It is also very important that, where problems do occur in projects, as invariably they will, they are identified early so that we can take action. An early-warning system that we are now establishing in defence is a very important part of this. It includes hard triggers to make sure that, where a project is looking like it is going over schedule or over budget, reports are given to senior Defence officials, as well as to the Minister for Defence and me. With respect to schedule, which is an abiding concern of mine, those early-warning triggers are 10 per cent for off-the-shelf projects, 20 per cent for modified or Australianised projects and 30 per cent for developmental projects. Where those triggers go off, that will trigger me writing to those companies, saying, 'We have an issue here; I want you to help us address it.' If the issue is serious enough, then it can lead to a gate review, an independent diagnostic analysis of the project, to provide advice and recommendations to me as the Minister for Defence Materiel and to the Minister for Defence on what action should be taken to rectify the problems that appear to be emerging in that project.

Whilst not directly using the early-warning system, the action that we have taken with the air warfare destroyer is a good example. (Extension of time granted) That is a good example of a project where evidence exists that the project will go over schedule but, by taking action and modifying where blocks are built, it enables us to reduce the schedule slippage. That is an important thing to do.

Dr JENSEN (Tangney) (17:29): I am a little bit concerned about this project specifically at the moment. There have been numerous warnings. I said beforehand that I put the capability issues to the side but there are very clear issues with this project and in fact there is some evidence that it may even be cancelled. I know that Lockheed Martin like putting the line that it is too big to fail and that there is no alternative. My concern is, from the Australian perspective, what contingencies we have in place if the program's collapse does eventuate.

Mr CLARE (Blaxland—Minister for Defence Materiel) (17:30): I thank the member for Tangney for his question. He points to capability. It is important to mention the view of ASPI in its recent analysis of this project, where it believes that capability is coming along in a satisfactory way. It is also important to note what Secretary Gates said in January of this year, where he considered that the variant we are purchasing is progressing in a satisfactory manner.

In terms of the work that Defence is doing, I should mention in the context of the work ASPI has also been doing here that Defence has had some discussions with the Australian
Strategic Policy Institute and the ASPI generally agrees, on the basis of the available information, that Australia has adequate cost and schedule contingency but it is reducing and needs to be watched. That is exactly what the government and Defence are doing. While the institute has suggested some options to address contingency, it agrees that there is no need for an alternative approach to Defence's planning at this stage. Defence continues to assess options to deal with all realistic JSF cost and schedule risks.

The DEPUTY SPEAKER (Mr S Georganas): The debate on this portfolio is adjourned until a later hour in accordance with the agreed order of consideration of portfolios.

Agriculture, Fisheries and Forestry Portfolio

Proposed expenditure, $508,053,000

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (17:32): By way of opening address I will provide a short extract from a speech from Minister Ludwig that is relevant to the committee's proceedings. Before anybody accuses me of plagiarism, yes, this is his and it will match very closely.

The budget provides funding for a range of measures that support the government's ongoing productivity reform agenda within the agriculture portfolio. Along with the highlights of new measures, there are also fiscally responsible savings measures that support the government's commitment to returning the budget to surplus. I can point out some of the highlights of the budget for the portfolio. The 2011-12 budget provides more than $464 million in both new and continued support for a responsible and staged approach to biosecurity and quarantine and its reform. Within the investment the government is providing $425.4 million over the three years from 2012-13 for the continuation of the quarantine border security program for the Department of Agriculture, Fisheries and Forestry and for Customs to support frontline biosecurity operations. This budget has allocated $13.7 million in a new spending initiative for the urgent capital works in post-entry quarantine facilities, allowing Australian primary producers to continue accessing the best genetic resources worldwide.

In addition to this $464 million for biosecurity, more funding has been allocated to purchase land and undertake initial scoping and design work to address the need for future post-entry quarantine facilities. This corrects a short-sighted budget decision from the Howard government to sell off post-entry quarantine facilities only to then lease them back. We now have a situation in which the leases are terminating, demonstrating that the policy was never fully considered by the Howard government.

The Gillard government is committed to reforming the biosecurity system in line with the Beale report and its operational recommendations. We will transform the system into one based on a risk management approach. This means allocating resources where the risk is at the border and across the biosecurity continuum. In this budget we have allocated $15.4 million in new money for the Commonwealth's contribution to cost-sharing arrangements for pest and disease management. This includes providing funding for the management of red imported fire ants, Asian honeybees, myrtle rust and Siam weed. The funding is for existing agreements only and does not prevent the government from entering into new commitments to combat other incursions, should they occur.
In the budget the Gillard government will be spending $44.1 million in new funding to extend the drought reform pilot in Western Australia. This is an important next step in the process of reforming the drought support system as well as helping farmers build their productive capacity and adapt to the challenges of climate variability. The $44.1 million in funding will extend the pilot until 30 June 2012 and expand the pilot region to cover the remaining south-west corner of Western Australia. This will allow time to properly test the effectiveness of new policy directions as we move from a crisis management to a risk management approach.

While we prepare for the future, the government will continue to support those farmers who are currently in need. There is an allocation of $21.8 million for exceptional circumstances relief and income subsidy payments for primary producers and small businesses in exceptional circumstances declared regions. In the budget the government has also provided $10.1 million to extend the funding of re-establishment assistance to provide exceptional circumstances exit grants to farmers who wish to sell their farm enterprises and leave the industry and $14.4 million to extend the Transitional Income Support Program, which provides short-term relief to farmers in financial hardship, including but not limited to those coming out of EC declarations. A Labor government established the rural financial counsellors program 25 years ago. This budget continues that Labor initiative.

Unfortunately, a wonderful speech by Senator Ludwig is going to be beaten by time. I will not be able to add anything further, because I know that people will want to ask questions. Given that we have departmental officials here, I hope that members will put on the table as many questions as they want to—jump in again and again—while I get the information that they require. (Time expired)

Mr JOHN COBB (Calare) (17:37): I thank Minister Burke, who is representing the minister for agriculture. He mentioned myrtle rust. As long ago as April last year we brought up the issue of myrtle rust with the government, and industry had done the same before then. My question is: why, despite evidence to the contrary, did the government not concede this was in fact guava rust, which is a far more serious disease with the ability to attack some 60 different species, including Australian eucalypts. The commercial industry, the nursery industry, had to get independent confirmation of what it was. Why was the federal government so determined not to concede that that was what it was? It was taken from the Central Coast of New South Wales to Queensland not by wind, as was first reported by government sources, but obviously by human intervention—no doubt accidentally. The commercial industry knew what it was. Why did the government refuse to come to terms with it? New South Wales did its best with only a small amount of money. It was said to be endemic rather than something that had to be dealt with, and it got up to Queensland. It has the ability to be enormously dangerous commercially, environmentally and in every other way.

Regarding the Asian honeybee, my question to Minister Burke, the Minister representing the Minister for Agriculture, Fisheries and Forestry, is: why did the federal government not wish to continue the eradication program at a time when the area covered by the Asian honeybee in Northern Queensland was probably no bigger than the Sydney Basin and it was still very much an issue that it be eradicated and not turned? I am happy to leave it at that and come back.
Mr CHESTER (Gippsland) (17:39): I will take up a similar vein to that of the shadow minister, in relation to pest species. In particular, I note the minister's comments in relation to the productivity reform agenda. I also want to refer to the Australian Pest Animal Strategy, where it was estimated that 11 of Australia's pest animals in 2004 were costing Australian producers in the order of $720 million a year. We are talking about foxes, dogs, rabbits etcetera. The minister would be well and truly aware of the impact they are having. I note that pest animal management requires a coordinated approach of all levels of government in partnership with industry and, of course, land managers and volunteers. Some of the comments made in that strategy were:

The benefits of management should exceed the costs of implementing control.

And:

As part of an integrated pest animal management program, commercial harvesting may offset management costs.

Where I am leading to, Minister, is the Victorian government's commitment on bounties to be directed at foxes and wild dogs as part of their approach to the control of foxes and wild dogs.

I do not think I need to labour the point too much. I am sure that the minister is aware both in his role as the Minister for Sustainability, Environment, Water, Population and Communities and as a former agriculture minister of the enormous social, economic and environmental impact that wild dogs in particular are having in the Gippsland region and also throughout the north-east. But, given the increased value of lamb at the moment, the economic impact has become even more of a concern for producers in my region. My question is quite open ended, Minister. I am just wondering what the government's view about a nationally consistent approach is, given that obviously these species do not respect state borders. We have the state government of Victoria heading in one direction with its suite of measures, those being the bounty and aerial baiting, trapping and shooting. I would be interested to know what the government's view is about its role at a national level and also the level of funding that it anticipates will be required to do its share of the heavy lifting in that particular area—and your view, perhaps, of how you see the federal government having more of a leadership role in coordinating the wild dog control aspect in particular.

Mr SIDEBOTTOM (Braddon) (17:42): I rise first and foremost to express my support to our government for its very strong commitment to the Agriculture, Fisheries and Forestry portfolio. I know that that portfolio is very important to most members in this chamber at the moment and most especially in my electorate. Through my years as a member of the House agriculture committee and more recently as a member of the Standing Committee on Regional Australia—which I share with the member for Makin, who is here as well—I know that, although it is difficult to bring up at the moment because of the recent floods, one area of concern in rural and regional Australia is drought policy and reform. I must say that the Minister for Sustainability, Environment, Water, Population and Communities, who is in the chamber at the moment, was, along with the current minister, very instrumental in piloting and pioneering in this area.

I know that Minister Ludwig is continuing to progress the government's drought reform agenda that you, Minister, initiated through the pilot of the new drought measures in Western Australia, which was mentioned in your opening address on behalf of the current Minister for Agriculture, Fisheries and Forestry. Well may we have had floods and driving rain most
recently, but, as the Dorothea Mackellar poem says, this is also a country of great drought. We still experience drought in parts of this country. Our drought policy and exceptional circumstances assistance are absolutely vital to rural and regional communities. So, Minister, on behalf of Minister Ludwig, could you update us on how the extension of the WA drought pilot in the budget will improve on the existing pilot, which you made mention of in your earlier statements, and how the government will look to expand this going forward? Secondly, could you also advise in more detail how the government is continuing to assist those farmers—again, you mentioned this earlier—in the communities currently in drought? Those are very, very important questions about drought assistance.

While I am on my feet, Minister, again on behalf of Minister Ludwig, would you give us an update on the agreed principles for forestry and for the forestry sector in Tasmania. As we well know, this is both a challenging and a worrisome time in Tasmania, although there has been good news recently with the purchase of the Triabunna mill by a consortium in Hobart, and I notice that Forestry Tasmania has given a very positive response to that. I know that you, Minister, as well as Minister Ludwig have played a significant role in listening to representatives and advocates of the agreed principles. So I would be very interested in an update on that, thank you.

Mr JOHN COBB (Calare) (17:46): I have a couple of questions on edibles rather than growables. I will turn, firstly, to the meat trade. When the minister's representative was actually the minister himself, there was a commitment to have an independent study into the legitimate cost to government of AQIS inspections. The opposition and the industry are wondering what has happened to that examination of the legitimate cost to government of inspections. I also have a question on New Zealand apples. We were defeated in the WTO, however that does not mean that we simply have to accept whatever New Zealand wants to throw at us. From the draft report and from all indications, why are we willing to accept that the New Zealanders write their own protocols for the export of their apples to us when we are the only country, that I am aware of, that New Zealand exports to that does not have fire blight? They are sending apples to countries that do have it and are presuming to send apples using the same protocols to those countries that do not have fire blight.

In the last budget, there was an allocation of $281 million in additional funds to encourage trades apprentices to complete their qualifications. Why have agriculture and horticulture apprenticeships been removed from the National Skills Needs List, particularly at a time when those industries are absolutely crying out for skilled labour?

Mr ZAPPIA (Makin) (17:48): Firstly, I want to begin by endorsing the comments of the member for Braddon in respect of the government's commitment in this portfolio area. I say to the minister present, who is speaking on behalf of the Minister for Agriculture, Fisheries and Forestry, that even in metropolitan seats like Adelaide, which I represent, and Hindmarsh, which you, Mr Deputy Speaker, represent, fisheries, forestry and agriculture are very important.

I have a particular interest in the maintenance of Australia's strong biosecurity system and I know that you do too, Mr Deputy Speaker. It is an area that I want to raise with the minister and ask a question of him. I know that Minister Ludwig and, before him, Minister Burke, who is here representing Minister Ludwig, have been busy working on improvements to Australia's complex and important biosecurity system. It is an area that you, Mr Deputy
Speaker, and I have raised with ministers, and publicly on many occasions. Minister, I would be grateful if you could advise what is in the budget to continue the important reforms the government has embarked upon?

Dr STONE (Murray) (17:49): I understand, Minister Burke, that you are going to answer these at a later time given your acting—

Mr Burke interjecting—

Dr STONE: I would like to continue with the biosecurity questions. On page 64 of DAFF’s budget statement it says, under program expenses, that for 2010-2011 there was $483,000,191 appropriated or available. This drops right down in 2014-2015 to $416 million; it drops from $483 million down to $416 million. Obviously that is of great concern to those of us who have rural constituencies who depend on biosecurity activity and expertise to keep our fruit and vegetables and meat products safe. Following up what the previous speaker said, we are most concerned that there is a cost-cutting exercise where it now seems that the protocols New Zealand has in place for their domestic market in apples and pears are going to be acceptable for fresh apple exports into Australia. Is this in fact a cost-cutting measure, given the incredible reduction in program expenses? It is listed on page 64, if you are looking for it.

We are concerned that the industry itself cannot get access to the document that is going to drive the domestic protocols for fresh apple inspections before they come to Australia. We are very hopeful that this is not simply a reflection of the cost cutting that is going on in the government in relation to program expenses, because we have only until 4 July before those domestic protocols in New Zealand are, apparently, going to be accepted by Australia as adequate for exporting fresh fruit to Australia. Could the minister please ask Minister Ludwig to explain how, with that substantial reduction in program expenses, we can even maintain our current levels of biosecurity protection, much less increase them, given the huge additional workload that fresh apples will add to biosecurity’s activities?

I would also like to ask when the Western Australian climate change pilot—which is, we understand, to replace exceptional circumstances design and policy in Australia—might be completed and whether that is going to be tested in the southern states, where there is a very different seasonal scenario, especially in relation to irrigation districts. Where exceptional circumstances has ceased—in particular in my part of the world, in northern Victoria—and has been followed, unfortunately, by floods, the damage from which is still impacting on productivity, is there any interim measure? Does the budget have any provisions for this interim period between the end of exceptional circumstances support and the new program, which we understand will be called something like ‘climate change adaptation’? The Western Australian pilot is the one I am referring to.

I am also very concerned about the RIRDC and the CAC Act bodies Rural Industries Research and Development Corporation resources statement. Again we see a substantial reduction in funding. We have to have ongoing research into greater efficiencies in Australian agriculture, whether it be water use efficiency or being able to grow more for less, being able to retain or keep costs down. Research and development funding seems to be less. I am referring to page 165, where we have, for example, actual available appropriation of $40,382,000. That seems to decline very substantially into the year 2011-2012. As you know, Australia is one of the countries that put the least amount of support into agriculture. When
you compare us with Korea, Japan, the United States and most of our trading competitors and partners, the Australian government puts one of the smallest amounts of money in the world into agricultural support. We are suggesting that, if that amount is eroded even further, we are in for very serious times.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (17:54): A number of issues have been raised. If I start to work through them, hopefully that will get us a fair way. There is some information that is still coming to me. As it comes I will be able to answer those issues as well.

Mr Chester: Where's your iPad tonight?

Mr BURKE: I will have the iPad later tonight, when it is my area. I am reliant on paper here.

Mr Sidebottom: It's in his head.

Mr BURKE: To begin, the member for Calare asked questions regarding myrtle rust and the related issue of guava rust. The information I have is as follows: myrtle rust was first detected on the Central Coast of New South Wales in April 2010, as the member for Calare referred to in his question. It is not known and never has been known how it entered Australia. The rust fungi do produce spores which are carried by wind. They can be carried on people's clothing; they can also be carried on plants or goods that are shipped around the world. Myrtle rust does belong to a group known as the guava rust complex; it is part of that group. It is native to South America and is present in the United States and Mexico. Immediately after it was identified as myrtle rust the Commonwealth-state Consultative Committee on Emergency Plant Pests developed a response plan to attempt to eradicate the fungus. I am advised that after several months of effort it was determined in December 2010 that it was not technically feasible to eradicate it. The member for Calare asked quite specifically how these decisions are made and why we make the judgment call that we do. It is on the best available scientific information that comes forward. I do believe that is the appropriate way for advice to be given to a minister.

A similar question was asked by the member for Calare, the shadow minister, with respect to Asian honeybees. We do need to remember that when Asian honeybees were first found, in May 2007, the agriculture minister was Peter McGauran, a former member for Gippsland. No immediate action was taken by Minister McGauran. I should read directly from the notes of Minister Ludwig: 'In fact it took the Labor government under Minister Tony Burke to approve the funding to combat this pest.' But, in fairness to Peter McGauran, at that point you initially do your assessments, you work out whether to use containment or eradication, and you work out what might be possible. He did what I have just described as subsequent ministers doing, and that is to take the best available scientific advice that is in front of you. That is why the decision was taken on Asian honeybees. Subsequent decisions were similarly taken on the basis of scientific advice which came forward.

The member for Gippsland then asked about pest animals generally, with specific reference to wild dogs and other animals. The first answer to that is that, in working these issues through with the states, eradication jobs in the first instance do fall to state jurisdictions. They then come to a ministerial council where it is worked out whether a cooperative approach might be possible. The department does fund a number of surveillance programs from the
Office of the Chief Veterinary Officer. We do work closely with state and territory

governments but funding is also available through Landcare, the National Landcare Program,
and through Caring for our Country. I will simply give an example which, while it is probably
not of great concern to the Victorian end of the country, is one of the great examples of the
extraordinary damage that is done by an invasive species, and that is the damage currently
being caused across the north of Australia in the rangelands by camels. One of the biggest
projects that Caring for our Country has ever undertaken was $19 million to deal with the
problem of camels across the country. One of the challenges is that whenever we act we need
to do it at the same time as the states are acting. (Extension of time granted) Otherwise, all
you do is keep trimming the numbers rather than making a real impact. When it can be
coordinated, and from time to time it is done, there is an opportunity to be able to have a very
direct impact on invasive species. The member for Calare also asked about the Export
Certification Reform Package and specific undertakings which were given by me at the time.
I will try to get more information during the course of this session—or, if not, provide it
subsequently—on the independent auditing. I do remember dealing with the issue at the time.
I just want to make sure that my recollection matches the most up-to-date advice. If you can
bear with me, I will seek further information on that; hopefully, we can get that information.
The information I have deals with the implementation of a number of issues but not
specifically the audit that the member for Calare referred to. I do not want to waste your time
with the other parts of it.

The issue of New Zealand apples was also raised. I do not yet have information on that
here, which is probably as you would want it. That will also arrive shortly. I will move to the
issue of biosecurity reforms, which was raised by the member for Makin, but, firstly, I flag for
the member for Calare that the issue of the National Skills Needs List would, I suspect, be
better directed to a different section of the estimates process. I am not sure of the extent to
which we will be able to get direct information on that tonight. I suspect that is a list
maintained through a different portfolio and the question may well be best asked of that
portfolio.

On the issue of apples, a science based review is being conducted by Biosecurity Australia
of Australia's import policy for New Zealand apples. The question was asked in terms of why
New Zealand is responsible for a lot of these decisions. The information that I have is that
Biosecurity Australia is conducting the science based review of Australia's import policy for
New Zealand apples. The review is being conducted because the World Trade Organisation
found that our import policy for New Zealand apples was not supported by the science. We
fought that in the international court, as growers and all Australians expected us to, but we
now have to deal with the decision as it came down. As I say, it is Biosecurity Australia that
is conducting that review on Australia's import policy as a result of that decision.

I now turn to the question from the member for Makin on biosecurity reforms generally.
We need to remember where the biosecurity reform process came from. Members—fewer on
the Victorian side of the border, I have to say, but everybody north of that—will very much
remember the impact that equine influenza had across much of the east of Australia.

Dr Stone: The biggest warmblood industry in Australia.

Mr BURKE: I know, but you actually did a little better in terms of avoiding equine
influenza than elsewhere with the eradication programs that then had to be conducted and
which were concluded after we came to government in 2007. That set the context for why it was necessary to have a look at the entire biosecurity system in Australia, which resulted in the Beale review, to which this budget has continued to respond.

The 2011-12 budget provides for a smarter approach to the management of biosecurity risks and reaffirms this government's commitment to reforming Australia's biosecurity system. It includes $425.4 million over four years for border operations at our airports and mail centres, including $205.6 million for the Australian Customs and Border Protection Service; $15 million—there is a point in every one of these; I will skip the decimals—for continuing eradication programs for nationally significant agricultural and environmental animal and plant pests and diseases; and $4.2 million for improved information and communications technology systems across the biosecurity system. (Extension of time granted) It also includes $19 million for staged investment for post-entry quarantine arrangements with funding for urgent capital works.

The way to reform our biosecurity system is to focus on further developing a risk management approach, progressing risk based intervention initiatives across the organisation, drafting new legislation to facilitate reforms, developing a sustainable funding model for biosecurity and continuing to build a partnership approach to industry. We have the answer to the member for Calare's question regarding the Export Certification Reform Package. An independent review of the export certification fees and charges has been conducted by Ernst and Young as per the agreement that was made last term. The minister has undertaken to publish the review on the DAFF website. It finds that AQIS fees and charges are consistent with government cost recovery guidelines. Hopefully that provides some information in direct response to that.

If I can then go to questions raised by the member for Murray. First of all, in terms of page 64 of the papers and the profile of biosecurity funding. I want to refer to a couple of issues. The first is that a number of biosecurity programs have for many years now been budgeted as four-year programs. At the end of the four years they get announced again, as has continued to happen. But as you go across the forward estimates and get closer to the expiry, you see the profile going down. That has always been the case in biosecurity funding. It is the nature of so much of it happening through four-year programs.

There is an added issue on the figures that the member for Murray referred to, and it goes to some comments I made in the opening statement. That is, for some of the quarantine facilities that were previously leased, and that the government is now looking at entering back into a permanent situation of purchasing these properties, the dollars for those purchases currently under contract negotiation do not appear in the budget papers. There would be an obvious impact in the contract negotiations if midway through figures of what we thought we might end up paying on behalf of the Commonwealth at the conclusion of those negotiations suddenly appeared. Those two principles combined tell the story that had raised the concerns of the member for Murray.

The member for Murray also asked about the drought pilot, as did the member for Braddon. Both are in electorates which had experienced exceptional circumstances declarations and have alternately dealt with the devastation of lack of water and then the devastation of too much water at different points. One of the challenges of the drought reform pilot was to change from crisis management to risk management; that is, instead of waiting
for the devastation before the Commonwealth would step in in any way, the Commonwealth would actually play a role in the preparation period so that farmers were better prepared to be able to deal with the inevitable crises that come on our continent, given the nature of our climate.

This would also avoid some of the division that has constantly been there within communities where assistance was very much driven by the extent to which an individual producer was in debt. It was thought it was worth looking to see if there were another way other than exceptional circumstances to be able to conduct this. At the time the decision for the pilot to be in Western Australia was taken for two reasons: first of all, the Western Australian agriculture minister, Terry Redman, a member of the National Party, came to us and suggested that a pilot of the new policy be conducted there in Western Australia. All ministers had been involved in the discussions about the new approach, but it was Western Australia that actually suggested that the pilot happen there. The second reason for doing it in Western Australia was that it eliminated the capacity of a fear campaign for people who were at that point in drought, because at the time no new areas were being designated for exceptional circumstances assistance. It created a situation where it was easier to pilot something gently with the communities there. (Extension of time granted). The government does not prejudge the outcome of the pilot, but we have now extended the pilot for another year. Extending the pilot in this way will ensure that farmers currently receiving assistance continue to do so while the review is under way and the government considers the next steps on national reforms to drought assistance. The extension of the pilot will also allow more time to properly test the measures and therefore assist the government in its consideration of drought reform. Reform of drought policy nationally will be considered in the light of the independent review of the pilot which is currently underway and discussions with state and territory agriculture ministers. The government intends to settle its new approach in the context of the 2012-13 budget. Hopefully that provides some of the information that was being sought by the member for Murray.

Dr Stone: It leaves about 1,200 farmers in limbo.

The DEPUTY SPEAKER (Ms K Livermore): Order!

Mr BURKE: The farmers who are in situations currently where there is not an exceptional circumstances declaration or a drought are in the identical situation they would be in if there was no pilot of a new system. They are experiencing better seasons than they were during drought. People know that that there are still individual hardships, and no-one is skating over that, but it is important to remember that, if the biggest challenge that we have is communities saying that the new way of approaching drought is not being rolled out quickly enough, that certainly is an endorsement of the approach the government has taken in going down the path of the pilot in the first place.

The member for Braddon also asked me to deal with some of the issues as to where we were up to with negotiations regarding forestry in Tasmania. The member for Braddon has a very deep concern, representing a large number of timber workers—both people working for contractors and also people working for mills, with jobs in haulage or other areas—within the seat of Braddon. For many years the debate on forestry in Tasmania has been characterised by conflict. It has always been a situation of governments of one colour or the other, in a political
circumstance, doing their best to arbitrate on who would win in a battle between conservation and forestry.

About a year ago, a whole lot of people who had never been at the same table before sat around the table. Environmental groups, the union—the CFMEU—and industry all sat around the same table for the first time. I remember at the time the key issue that people were talking about was not whether or not they could reach agreement but whether or not they could cope being at the same table. The level of passion after years of conflict was extremely high.

That resulted, in the second half of last year, in a high-level statement of principles. The government took the view, together with the Tasmanian government, that we needed to know whether the statement of principles could in fact be turned into a formalised agreement. That was why the government took the view that the appointment of Bill Kelty as a negotiator to work with the parties and see if it could get to an agreement was something worth doing.

There is a level of concern in many communities, knowing that Gunns have made the decision to get out of native forestry. There are many people facing very high degrees of uncertainty at the moment, including businesses, in the wake of what has happened with markets—initially buyers in Japan insisting for the first time on FSC certification of timber, combined with the devastation that occurred in Japan, added to the impact of the high dollar, which of itself has caused significant challenges for industry. When you put that against the backdrop of the decisions being made by Gunns, there are very high degrees of uncertainty.

It is still the preference of the government, though, for the parties to reach their agreement and for us to look at what they bring to the table. There is still a high level of opportunity here for an agreement to be put together the likes of which we have not seen in Australia—indeed, what we have always seen has been starkly the opposite. Each time I talk to the parties—and I talk to them often—they are closer than they were the day before. They are not there yet. I know that Bill Kelty is again working on the issue tomorrow. (Extension of time granted). I am hopeful that there will be an agreement soon that both the Commonwealth and the Tasmanian governments can deal with directly. The Rural Industries Research and Development Corporation is the only issue of the ones that were put forward that I have not yet touched on, and that was discussed by the member for Murray. In response to that, I can offer the information that I have. When you look at the funding for any of the research and development corporations, we need to remember that most of their funding—and RIRDC is a little bit different from the others—is through matched government levies. So the government money goes up and down depending on projections as to what happens with the various industries. For many research and development corporations it is relatively simple to forecast where they think things are going. For the Rural Industries Research and Development Corporation, which has many, many small levies for small, growing industries, it is more complex. The actual revenue from government will increase over the next financial year for the Rural Industries Research and Development Corporation. Revenue from levies will also increase in 2011-12. However, the corporation has spent some of their reserves, so their opening balance in 2011-12 has gone down for that reason. Hopefully that provides some insight into the budget figures that the member for Murray was referring to.

Mr GEORGANAS (Hindmarsh) (18:16): First of all, I would like to say that I support the government's commitment to this particular portfolio. Many times I have rung the minister's office with a range of issues; as the member for Makin said earlier, I do have a keen interest
in this area. I know that Minister Burke and Minister Ludwig have worked very hard to improve this area, which is very complex, especially biosecurity. I would be grateful if the minister could answer my question, or get back to me, in order to set the record straight. Recently in the media there were some reports about pork being imported into Australia—it was a huge issue in the media in South Australia—and we received many phone calls from concerned constituents, and I had discussions with the member for Makin, who received many calls as well. When I did speak with the minister's office, I was very pleased that they could assure me that there has been no importation of pork. A media release was put out very quickly as those discussions were taking place, but I was sad to hear that there is still that misconception out there. For the record, Minister, either today or at another time, would you be able to put that record straight? And why is that misconception out there?

The DEPUTY SPEAKER (Ms K Livermore) (18:17): If the minister agrees, I will call the member for Gippsland for his question and they can be answered together.

Mr CHESTER (Gippsland) (18:18): Just to complete the set, Minister, we will go to fisheries. I know you are quite familiar with the area of Lakes Entrance; you were an active campaigner there in 2007, I believe, in the lead-up to the federal election.

The seafood industry in Gippsland is a very important one, particularly in Lakes Entrance, but on the issue of importations I take up the theme of the previous question. There is a growing concern within the seafood industry in relation to the country of origin of seafood, particularly at the end user stage. There is a concern, particularly in our restaurants and clubs, that there are products being sold as the 'fish of the day', and people are under the misapprehension that they may be buying a fish that was caught locally, when in fact it is an imported product. I have raised this issue before with the government, and I do it again now in the context of food security and food safety. People are becoming more and more aware of where their food comes from, particularly, as we have seen in recent days, with the E. coli outbreak in Europe. It is important that people can be confident in the source of their food, and the deceptive conduct which is currently underway in some of our clubs and restaurants to suggest that some of the products are coming from Australian waters is unfair to local product. The seafood industry has no problem with the fact that we are going to have imported product in the market place—they have no problem with that whatsoever. But in the interests of industry and consumer fairness, it is an issue that the government is going to have to deal with sooner rather than later by providing clear labelling so that consumers can be confident in the country of origin of the product they are eating.

Dr STONE (Murray) (18:19): Minister, when I asked about exceptional circumstances and the pilot in Western Australia and particularly in Victoria, I was referring to EC category D, which is for those affected by devastating floods. We have two problems. Firstly, we have a tale of lack of financial viability still existing because of the drought. After the first rains, unfortunately, your productivity does not instantly return and your bank account does not instantly return to being in the black. What is the status for the EC category D now in Victoria? We understood there were some announcements, but I am wondering: when is the cash going to flow and what is the process for affected farmers to access that funding?

The other matter was in relation to Biosecurity Australia and the New Zealand fresh apple protocols. You said in your answer that Biosecurity Australia was simply doing a review in the wake of the WTO decision. We understand why and how the rejections of our previous
protocols occurred. The problem is that the Australian apple and pear industry—and 80 per cent of all pear growers are in the electorate of Murray—have been told that the New Zealand pip fruit industry's domestic protocols are to be adopted and used for the Australian export protocols and that these domestic pip fruit industry measures will be supervised by MAF, the New Zealand Ministry of Agriculture and Forestry. MAF was, as we all know, implicated in the fire blight contamination of a cotoneaster all those years ago at the Melbourne Royal Botanic Gardens. There is not great trust when it comes to depending on another country's ministry to inspect product. We need to know if it is the case in New Zealand that fire blight is a notifiable disease—it seems to be difficult to find that out—because that makes it much more difficult for us to accept a domestic protocol if a region cannot be shown to have had fire blight in recent times.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (18:22): I will deal with those in reverse order, if that is okay. First of all, the member for Murray has referred to 'exceptional circumstances category D'. I think that is actually a reference to the NDRRA category D, which is not administered by the department of agriculture; it is administered through the Attorney-General's Department. They deal with that, and Agriculture deals with drought relief. So I am not in a position to be able to provide that information today. I am not sure if the Attorney-General's Department have already gone through or if they are later tonight or when they are. I am sure the Attorney-General would be able to provide some assistance on the information that was sought.

The second question goes to the issue of apples. First of all, I think it is important, given the allegations that were just made regarding the New Zealand department of agriculture, to point out that the view reflected there does not represent the position of the Commonwealth. I do have some further information which I will provide. There is a draft report—which, I think, is the report that the member for Murray is referring to—in terms of what the proposed quarantine measures might be. That is, as I say, a draft. It is available on the department's website. It will be available for public comment for a total of 60 days.

Despite some of the scare campaigns that have been about, there are some important facts worth setting out here. First of all, it is a draft report. It does not represent government policy, nor does a draft report change in any way the current restrictions which apply to the importation of New Zealand apples. Secondly, Australia is committed to the operation of a transparent, science-based system of biosecurity. If the opposition, the industry or any other stakeholder can put forward scientific evidence which would support restrictions that are stronger than those proposed in the draft review, they should put that forward. Thirdly, where scientific evidence is put forward during the review, it will be considered prior to the consideration of a final report. Stakeholders with a perspective on the conclusions in the draft can make a submission to the department's biosecurity services group. But just as for any other product, no trade in New Zealand apples may occur unless quarantine measures that appropriately protect Australia and our agricultural producers have been fully complied with.

I will go to the member for Hindmarsh who asked questions concerning importation of pork. Hopefully this will provide some clarity on the record to back up what the member for Hindmarsh had already received directly from the minister. Australia is fortunate to be free from many of the serious pests and diseases that exist in many other countries, and we make no apology about wanting to keep it that way. If New Zealand imports fresh pig meat from
other countries for consumption in New Zealand, that is their decision. The fact is that fresh pork from New Zealand is actually not permitted. No fresh pig meat is permitted entry from New Zealand into Australia. If New Zealand want to export fresh pig meat to Australia, it would need to meet strict import requirements established by Australia's final import risk analysis report for pig meat, which was released in February 2004 when the coalition was in government. Australia will not water down its strict science based quarantine and biosecurity system. I hope that provides an answer to the issues that were raised there.

The member for Gippsland refers to Lakes Entrance where he is right: we made many election promises in 2007 in the electorate of Gippsland which were not successful in ousting Peter McGauran and became even less successful by the time the current member for Gippsland was competing in a by-election. But he raises an issue which is of deep concern to people in the seafood industry. (Extension of time granted) We need to remember the extent to which overseas competition is real for the seafood industry. It is extraordinary that, while we export a lot of very high value seafood, a large amount of seafood consumed in homes and in restaurants is in fact imported.

While when you go to the supermarket or to the local fish shop you have country of origin labelling, there is a presumption when people go to restaurants that they will be receiving fresh food and a presumption that most people have, particularly when they are in fishing communities, that what is sold locally is in fact locally caught. It has been a running sore for a long time in terms of not only the economic value but also people feeling a sense of deception when they go to a fishing village or town—whether they go to the local fish and chip shop or they go to the local cafe or restaurant—at the thought that what they might be consuming is in fact imported, and that comes as a very deep shock to most consumers.

The only area at the moment to my knowledge, and as I am advised, where this has been able to be resolved in a very direct way is in the Northern Territory. When it was first introduced in the Northern Territory much of the restaurant industry was quite resistant to having to put the country of origin on the menu. But what ended up happening was they did not just put country of origin, they started to put town of origin, they started to put village of origin and they started to put precisely where something had been caught, because there is no greater selling point for seafood than that it is local. People know that, with the purity of the oceans we have in Australia, there is a purity of product that follows.

This is very much managed by the states. It has been encouraged on many occasions by the Commonwealth. To my knowledge, though, at the moment it is only the Northern Territory which has stepped up to the mark. When I have spoken to anyone in the restaurant trade there who was hesitant when it was first introduced, all of them now acknowledge that what was originally put forward as a restriction is now a selling point for them with their customers.

Proposed expenditure agreed to.

**Defence Portfolio**

Proposed expenditure, $24,003,348,000

Debate resumed.

**The DEPUTY SPEAKER (Ms K Livermore):** The Main Committee will now consider the Veterans' Affairs segment of the Defence portfolio in accordance with the agreed order of consideration. The question is that the proposed expenditure be agreed to.
Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (18:30): I thank the departmental officials for being here to give me advice on the questions you are about to ask. Are you asking them too? How does that happen?

Mr Bruce Scott: I am first.

Mr SNOWDON: This budget maintains Labor’s strong commitment to our veteran community, with a $12.3 billion budget, a $200 million increase on 2010-11. This increase mostly comes in health care costs. Because we have an ageing veteran population, their demands upon health services are getting greater, therefore resulting in increased expenditure. It delivers on our election promise to provide a $500 per fortnight supplement to our much-deserving prisoners of war, which you will have seen announced only recently. It provides an additional $8 million per annum to the Australian War Memorial after a careful and considered review which was inaugurated, you will recall, in October of last year. It contains a number of measures to simplify the system and improve access for veterans. It is fiscally responsible and in line with the government's commitment to bring the budget back to surplus in 2012-13.

I might just concentrate briefly on some of our overall priorities, because I think they are relevant. Looking after our ageing veterans and their families. Over 180,000 of those people we look after our 80 years or older. That is a significant proportion of the client group. Secondly, and a very significant area for me in my view and I think for the community, is ensuring that our younger wounded, injured and ill veterans are properly cared for. Forty per cent of the ADF has now been deployed in the last decade and 50 per cent of those have been deployed more than once. They are significant figures. Our election commitments were honoured in this budget through the Veterans' Pharmaceutical Reimbursement Scheme, which has been allocated $30.1 million, and the Vietnam Veterans Education Centre in Washington with $3.3 million.

Madam Deputy Speaker, I am happy for my comrades from the other side to have a chat.

The DEPUTY SPEAKER (Ms K Livermore): Thank you, Minister.

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (18:33): I thank the minister and I also acknowledge the initiatives in this year’s federal budget. It was certainly well received in the veteran community. As a former veterans’ affairs minister myself I know how hard it is to extract money from the treasurers and I certainly welcome what he has been able to achieve. I have a couple of questions, Minister, in relation to commemorations. This year I attended the commemoration for Anzac Day at Villers-Bretonneux, which was very well done and I commend the work of the department in running a very well organised commemoration at Villers-Bretonneux. We saw something like 4,800 people—that was the official figure—mainly Australians, if not all Australians, attend that commemoration. And I understand Gallipoli too, where I think you were, Minister. I want to say something about Gallipoli. As the minister responsible for the establishment of that new site—and I know there have been several ministers since my watch and before your watch—I think obviously the site has been altered somewhat. I wonder if you might comment on the way the department is approaching looking after the people who arrive there. There is obviously the issue of toilets, but I also understand that significant infrastructure has been placed on the peninsula itself for permanent seating—you might correct me on that. I know that when I was negotiating with the people of
Canakkale and the government and authorities in Ankara they were very insistent that we keep a very, very low profile in relation to the memorial because it is a national park. That is why we have a low stone wall that just says 'Anzac'. Even the flagpoles come down after the commemoration on Anzac Day. I know, Minister, that you have a committee working on the commemoration for the centenary year of 2015, and I would be interested in how that is going in relation to that. From my discussions when we established the new site, it was always important to make sure that we preserve as much as possible and as closely as possible the original site—as it was for those arriving at the peninsula on the very first day. That is what should be preserved, rather than any great structures. I would be interested in what you are looking at. I have heard—I must say with some dismay—that, as a country, we might be looking at a re-enactment, for instance. To be perfectly honest, I feel that having people come ashore is rather tacky, but I would be interested to hear your comments because I do have some opinions in relation to the commemoration that will take place in 2015.

I will put all my questions on the table at once, Minister. One is that next year is going to mark the 70th anniversary of the Battle of Milne Bay. I am wondering, in relation to commemorations, whether in August-September next year you would be looking at any official commemoration of Milne Bay. It marks the 70th anniversary of the first battle and a very significant turning point in the Second World War. It was, after all, Australian territory at the time. It was the first major defeat that the Japanese suffered as they moved south across the equator, down through the islands and into New Guinea. Milne Bay was the first significant defeat of the Japanese by the 2nd/9th Battalion of the Australian forces, and Corporal John French was awarded the Victoria Cross posthumously. I know how over the years, and even prior to my watch as minister, official commemorations were not the most important element but an element of Australia remembering Australia's involvement. I think that perhaps that might be one you have focused on. If not, I would ask that you look at it. I am certainly getting veterans who served in Milne Bay asking me whether there is any consideration of that very important battle which was the first turning point of the Second World War. (Time expired)

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (18:38): Thank you for the questions. I will make one observation: in terms of Anzac Cove, it is very much as you left it. There are no permanent seating arrangements, that I am aware of. The toilet facilities are all brought in and, as I understand it, that will continue. We have real limitations on that site, and one of the issues is people management. Although we had 7,000 or so there this year, there is an upper limit to how many people can be managed at that site. I met with the Turkish Defence minister not only to discuss the Anzac celebration for this year but to introduce myself and to start a conversation about the centenary of Anzac. That conversation is ongoing. There have been department to department discussions around the general issues. There is ongoing discussion about how we should move these things forward. The Anzac commission has made recommendations to government, which we will respond to in due course. You mentioned a re-enactment; that clearly will not be happening, in my view. Nevertheless, we will have an advisory board which, hopefully, we will announce the chair of in the near future. We think that advisory board will have a number of subcommittees which will look at things like education, youth—a range of issues—and which will provide advice to government and have discussion with the community.
Clearly, the centenary of Anzac is a lot bigger than us. We have already started conversations with the French. I have met the British minister for defence and opened a conversation with him. I have met the New Zealand Minister for Defence and opened a conversation with him. There are obviously things that we need to do and we cannot presume to know the outcomes of those discussions before we have in fact had them. We know what our priorities might be. I think it is generally accepted that we are leading the pack in terms of our awareness of what we need to be doing and the need to engage with people. We want to do that but we will not be doing anything without agreement; that is the first thing.

I will just deal with Milne Bay very quickly. I am not aware of any proposals for Milne Bay, but there may well be. It is certainly something that I will talk to the department about because, clearly, 70th anniversaries will abound next year. The fall of Singapore, the bombing of Darwin, the occupation of Timor-Leste by the 2/2nd Commandos and Kokoda are very important in our military history, so there are a range of events next year which we will have to have a mind to, and I am sure that Milne Bay will be one of them.

Turning back to Turkey, the responsibility for managing the people still rests with the Turkish government. We are guests when we arrive there and we remain guests while we are there. We have to be very active and involved in what we do but, ultimately, it is the responsibility of the Turkish government. Any works done there are to preserve the site and grave consideration is given to ensuring that the site's heritage is considered; the Turkish government has assured us of that. The recent commencement of construction of the seawall, and you would be aware of the area, will ensure that Anzac Cove is preserved for future generations. I hope I have answered some of your questions. I am happy to engage on a continuing basis with you about those issues.

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (18:42): I thank the minister. I do appreciate that this is significant and I thank him for his answers. I look forward to working with you in what is a bipartisan, non-political portfolio.

Mr GEORGANAS (Hindmarsh) (18:42): I have an issue that I want to raise with the minister. I was fortunate enough earlier on this year to travel to Crete with the minister to commemorate the 70th anniversary of the Battle of Crete. While we were there we visited many memorial sites with veterans from Australia and heard many stories from the locals and from those veterans. Minister, I ask about the significance of the commemorations this year and whether there are any plans for the future to commemorate the Battle of Crete, which has been commemorated for many years here— not only official commemorations; there were many unofficial commemorations all around Australia and in Crete over that particular week. Can the minister elaborate a little more on the significance of that particular battle and its 70th anniversary?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (18:44): It is very important that we acknowledge this 70th anniversary. The importance of the battles of Crete and Greece in our own military history is not well understood, in my view. I certainly did not understand it until I went to Greece and Crete. Having now been there and read the history I understand what events took place and the sacrifices that were made not only by Australian, New Zealand, British and other allied troops but, most importantly, by the Greek nation and by the community in Crete. One of the remarkable aspects of this part of history is that, despite the
severity of the treatment by the Germans, support for the Australians and New Zealanders in particular was profound. There is now an ongoing partnership and relationship with Crete—and with Greece more generally but with Crete in this particular case—as a result of those events. I commend the member for Hindmarsh for engaging himself as Chair of the Greek Australian Parliamentary Friendship Group. Very importantly, six veterans attended the 70th anniversary of the Battle of Crete: Daniel Bowden from HMAS Perth, Alfred Carpenter from the 2nd/4th Battalion, Basil Hayler from HMAS Perth, Arthur Leggett from the 2nd/11th Battalion, Norm Maddock from the 2nd/7th Battalion and George 'Bill' Taylor from the 2nd/11th Battalion. We need to appreciate the sacrifice that these men made. One of these gentlemen was 101 years old.

I commend the department, General Mark Kelly, who is now part of our organisation, and those who accompanied the veterans on the support they gave them, but I have to say that the stories we were told were more than payment for doing the work. It was such a pleasure to be with them and learn about them and their stories. We can take great pride in what they did. It was such an incredible privilege to be there and see how they were honoured by the Crete community. The member for Hindmarsh will remember that we called into a small roadside stop to have a toilet break and buy a cup of coffee. We selected some articles, went to pay and the owners refused to take our money—because of the significance and the salience of the presence of those men but particularly the history.

We went to the Preveli Monastery, which hid hundreds of Australian and New Zealand troops in the hills after the German forces took over and after Australian and New Zealand troops had disembarked on their way back to Egypt. This is important because they survived as a result of the support of not only this monastery but the population, who fed them, clothed them, warmed them, acted as their sentries and worked with them. Some of them worked as guerillas. That was really significant for me.

It was an enormous privilege to be there and a great honour to be with these men. I know the members for Hindmarsh and Maranoa have both travelled extensively. When you have the privilege of being in these locations, to see the honour with which Australian men who served in these past engagements are held as a result of their integrity and their work is outstanding.

Reg Saunders was the first Aboriginal officer and was at Crete at 42nd Street. I just had a chat to his daughter. She sent us a letter and indicated that apparently there is no memorial on 42nd Street to commemorate the involvement of the Anzacs. I want to establish whether that is true and then we might try to do something about it.

Mr Robert (Fadden) (18:49): I thank the minister for his contribution and his comments on Crete. They are well received. Minister, in 2007 Labor promised to increase funding for the Building Excellence in Support and Training, or BEST, program by $8 million. We have 10 minutes left to discuss veterans and I want to take us back a bit. At the time, Labor said:

- Labor believes that these programs are invaluable to the ex-service community.
- Well trained and supported ESOs and individuals contribute greatly to improving the operation of DVA—and they also provide a saving to government through their work.
- In recognition of this fact, Labor will commit an additional $8 million to support ex service organisations to provide essential services for their members.

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MAIN COMMITTEE
Unfortunately, Minister, in 2011-12 the government will slash $4 million from the BEST program and $4 million from Veterans and Community Grants, which assist with providing social and interactive events to veterans and prevents their isolations. Minister, I think you will understand when I say this is outrageous.

At the last election Labor made no mention of cutting funding—no mention at all. It was all quiet on that western front. The coalition, on the other hand, actually promised to increase BEST and TIP funding by $2.5 million per year for the next three years—$7.5 million in new money. At that time the coalition indicated this additional funding would assist with implementation of the recommendations of the advocacy funding review, which were at that time still secret. I note the recommendations have been made public after the election and in February this year the government announced it had accepted all 45 recommendations. I note that none of the recommendations called for a cut in funding, rather than cut funding, suggested that more needed to be done to work within current funding envelopes. It even suggested a means testing of ex-service organisations to see whether individual organisations could contribute more of their financial resources to assist the local veteran community.

The review did, however, recommend the establishment of veteran support centres across Australia with working models to be established in Queensland and regional New South Wales. Again, when asked, the government said it would not force organisations together. But the cut in funding may suggest otherwise. Perhaps this is means testing and forced amalgamation by stealth, Minister. How can the government build these new centres while at the same time cutting $4 million in BEST funding over the forward estimates? Won't this severely jeopardise the work of the largely volunteer ex-service organisations across Australia? Minister, why has the government slashed this funding just months after accepting the recommendations of an internal advocacy funding review which did not identify a need to cut funding but rather suggested there may not be enough funding presently? How do you justify yet another breach of trust with the veteran and ex-service community? (Extension of time granted)

I also note your department's explanation for the major adjustment in the cost of your flawed pharmaceutical reimbursement scheme. This scheme, I suggest, is making up for Labor's broken 2007 election promise to relieve the burden on veterans of the cost of medications to treat their war caused disabilities. Labor's 2007 plan for veterans affairs went on to say, 'This will be a key objective to be addressed in our first term of government.' Of course, the veteran and ex-service community and the coalition knew that the solution was not delivered at the last election. Instead Labor promised a deal with the issue if re-elected in 2010. Their second-rate scheme leaves out more than 1,500 of our most disabled war veterans as well as war widows and orphans. Labor's scheme relies on a complex reimbursement of out-of-pocket expenses which will not help those veterans on limited or fixed incomes deal with the rising price of other items. In contrast, the coalition scheme which covered 87,000 disabled veterans, including all 27,000 TPI pensioners, delivered immediate relief to the disabled veteran once they had paid for 30 scripts. The department is still unclear about how the scheme will work and the parliament is yet to see legislation to enact this second-rate scheme.
I have significant concerns about the costs, Minister. During a recent Senate estimates hearing your departmental secretary told the Foreign Affairs, Defence and Trade Legislation Committee of the rise in the cost of the scheme from $18.2 million to $30.1 million. They said, 'It is not a blowout; it is a combination of two things: the costing in the government's election was over a shorter period than the budget costing and it was done on a cash basis whereas the budget is done on a fiscal basis.' So during the election Labor chose to deliberately misrepresent the cost of the scheme, did it, Minister? Why did it not cost the scheme during the election in the same way it claims the coalition should have costed our military superannuation reforms? Why is there one rule for one, Minister, and another for others?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (18:54): Firstly let me address the pharmaceutical reimbursement scheme. I understand the rhetoric, but I think it is genuinely seen as a very great benefit to the veteran community. While I appreciate that political points can be made, the fact is that we will be investing $30.1 million over four years to reimburse eligible veterans' out-of-pocket expenses relating to pharmaceutical prescriptions. I do not think we should apologise for that; I think it is a bloody good thing to do. I know that it has been well received across the veterans community. The measure will address the out-of-pocket costs experienced by some veterans when their annual concessional patient pharmaceutical co-payment costs exceed the value of existing pharmaceutical assistance provided through the pension or veteran supplements. And it does, as you say, deliver on our election commitment, for which you should be pleased.

Mr Robert: It is a term late.

Mr SNOWDON: You may say it is a term late, but it is a commitment which I am nevertheless pleased that we have been able to deliver. You talked about the increase from election costs to $30 million. As the secretary pointed out at the estimates, this reflects the addition of year 2014-15 to the budget costing and the use of a fiscal amount rather than cash.

In terms of the best funding, I acknowledge the report and believe it was a good document, but we have operated in a fiscally responsible way. We have looked at all of our funding and the $8 million funding reduction for the Veteran and Community grants program and the Building Excellence in Support and Training program are important parts of our fiscal responsibility. The funding reduction aligns with the decline in the veteran client population and the number of grant applications. There are synergies here; this is not just some arbitrary cut. The funding of $4.4 million per year will continue to be made available through these programs and savings from this measure will be redirected to support government priorities. I have been to a number of conferences where I have made this very clear and been upfront about the government cutting these programs—I have not run away from them. I think one of the things that we jointly need to do—and I am not saying this as a point of political difference, because I do not think it is—is to look from now into the future and consider how to manage a declining population. That means we need to talk about current programs which may not have the demand they have had previously, and where we have got the capacity to change the program directions or the funding base for those programs, and redirect that money to other areas of need. That is what we have done in this instance and I do not apologise for it.
Mr ROBERT (Fadden) (18:57): Minister, I draw your attention to the government's less than admirable record in the area of commemorations. The budget contained no new money for commemoration of the centenary of the Anzac landing. These commemorations will begin in November 2014 and carry through to 2018. Under this government the Australian War Memorial was forced to consider closing one day per week to save money, because their funding had been cut by 20 per cent. It is only after considerable pressure from the community and the coalition, Minister, that you were dragged kicking and screaming to address this sorry state of affairs. The coalition welcomes your belated commitment of an additional $8 million per year to the War Memorial, although there remains doubt about your commitment—sorry, the government's commitment—to the redevelopment of the World War I galleries, given that only $1.7 million has been committed for the feasibility study. The government must guarantee that this work will be completed well ahead of the Anzac centenary in 2015.

On 21 October last year the Prime Minister wrote to you, Minister, about the funding crisis at the Australian War Memorial and instructed you to bring forward a cabinet submission on the funding options. I note that her letter did not call for a funding review. I am happy to table the letter and I seek leave to do so.

Leave granted.

Mr ROBERT: Nevertheless, the Prime Minister did instruct the minister to detail suggestions for the centenary of Anzac and other important World War I anniversaries. This year's budget, however, remains silent on any proposals for commemoration. Either the minister did not do what the Prime Minister asked of him—which would be terrible—or both the Prime Minister and Minister Snowdon were bound by the ERC in cabinet when their proposals were tabled. Frankly, either outcome is simply not good enough.

The government has gone too cold on the Anzac commemorations. Amidst great excitement on 26 March this year the Prime Minister and Minister Snowdon received the report of the National Commission on the Commemoration of the Anzac Centenary. At the time the Prime Minister indicated she would form an Anzac centenary advisory board to progress the work of the commission and provide strategic advice on the planning and implementation of Anzac centenary events and initiatives. Yet this board has still to be appointed, Minister, or at least have its appointment publicly announced. Not only is there no money for the Anzac centenary commemorations but since late March nothing further has happened to progress the commemorative agenda. It is deeply troubling for the wider community.

Just last week the coalition heard how the Shrine of Remembrance in Melbourne needs to know in six months whether there will be Commonwealth assistance for a refurbishment of the shrine ahead of the Anzac centenary. The shrine is one of just three military memorials of national significance. Similarly, the community of Albany needs certainty about funding for the proposed Anzac interpretive centre, a centre which I note received strong endorsement from the national commission.

Minister, you say that you will make an announcement in the third quarter of the year about the funding for the Anzac centenary, but why has it taken you so long, especially given the Prime Minister asked you to do this last October? Moreover, does your inability to do what your Prime Minister instructed you to do in writing on 21 October last year prove that you...
simply have far too much on your plate in terms of your wide responsibilities? Finally, how will the centenary of Anzac commemoration events be paid for? Will the minister guarantee that no veterans' entitlements will be cut to cover the cost of these significant national commemorative events?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (19:00): How much time do I have?

Mr Robert: All the time in the world, Minister.

The DEPUTY SPEAKER (Ms S Bird): The minister can do a response and then we will move on.

Mr SNOWDON: Can I thank the honourable member for reading out that diatribe and say to the author, who I think I know, that we have rebutted these arguments in the public domain previously and I do not intend to traverse them here tonight. I have never heard such rubbish in the time that I have been in this parliament.

Let me say to you very genuinely that we are committed to commemorate properly the Centenary of Anzac. We have a process in place. Very shortly I hope to be able to announce, along with the Prime Minister, the person who will head our advisory board and I think that will be an important statement in itself. You would have heard earlier that I have already had discussions with our counterparts in Turkey, in France—or at least with the office in France—in the UK and in New Zealand about the Centenary of Anzac and those things are ongoing. We have had a report from the commission which the government will respond to in due course.

I do not even want to attempt to respond to the garbage about the Australian War Memorial because, again, this has all been rebutted in the public domain. I have to say the flights of fancy which have reached new heights from—not you—the shadow spokesman on veterans' affairs just dismay me.

Mr Byrne: Who is it?

Mr SNOWDON: Good question—a senator, you might believe.

Mr Craig Thomson: Which one? Name him.

Mr SNOWDON: The senator from Ballarat, Senator Ronaldson. Now, Michael has his attributes—

Mr Byrne: Is he a Turnbull supporter?

Mr SNOWDON: I get on quite well with him. That is a positive thing.

The DEPUTY SPEAKER: Members will assist Hansard by not multiply interjecting during the process.

Mr SNOWDON: They can interject individually, and I am happy to respond.

The DEPUTY SPEAKER: The minister has the call.

Mr SNOWDON: But in the context of these issues the shadow spokesman would do well to talk to us before opening his mouth. If he were to do that, he would understand that we have been committed from the time that the Prime Minister instructed us, along with Penny Wong, the finance minister, to do a review of the funding. As a result of that review, we were able to make an additional $8 million a year available to the War Memorial. I would have
thought that would be the subject of some praise. It is in effect a 23 or 24 per cent increase in their budget on an annual basis, a very significant amount.

Mr Robert: Kicking and screaming, Minister.

Mr SNOWDON: The only kicking and screaming that has been done in the public domain where a bloke is lying on his back with his legs and arms shaking saying, 'Look at me, look at me,' is that of Senator Ronaldson.

Proposed expenditure agreed to.

Treasury Portfolio

Proposed expenditure, $4,626,511,000

Mr ROBB (Goldstein) (19:04): The rhetoric around this budget has all been to do with living within our means, about tough fiscal management, yet when you look at the budget—even since MYEFO late last year—the predicted level of debt has gone from $94 billion to $107 billion. That does not sound to me like a tough budget. We see spending increasing in real terms. Over the forward estimates, we see savings of $2 billion more than the $19 billion of spending, but in the first year it is the opposite: we see spending in excess of savings. So I ask the minister to start with: how can this be presented as a tough budget, when in fact the debt has ballooned from $94 billion to $107 billion?

Secondly, we see now a significantly larger increase—probably up to about $7 billion—in the annual interest to be paid. That is about seven world-class hospitals a year in interest payments alone. And the spending we see in the first year is not much better over the whole forward estimates. I know the minister's head will be full of percentages, but he might go back to the 22 per cent increase in spending a couple of years ago, the base that all of this is coming from.

I compare what the government has done to what Australian households are doing. Households over the last 12 months have gone from minus one per cent saving to about 11½ per cent saving now. That probably equates to close to $75 billion more in savings, by way of people paying off their mortgage or their plastic or putting money in bank deposits. But it is savings in the order of $75 billion. No wonder the retail sector has been as flat as a tack. No wonder there really is a recession in several parts of this economy. If you strip away the energy and resources sector, there is a recession in many parts of this economy.

Here we have a government parading this budget as something setting us up for the future, when it sets us up with even greater debt, when it really demonstrates no impact—or very little impact and certainly none over the next 12 months—on spending over the forward estimates. Then we see an attempt to increase the amount of debt that this government can raise, from $200 billion to $250 billion. Minister, could you please advise us who took the decision to contain the debt-raising proposal in the secondary appropriation bill? Who took that decision about that bill that you introduced deep into the night of the budget, when everyone else was distracted?

Mr Shorten: You don't do it during the day.

Mr ROBB: You could do it during the day the next day. You could have made it obvious to people rather than burying it. It was not mentioned in the budget papers, of course—no amount of money was mentioned. You snuck it in in the depths of the night when everyone
was distracted. Why was it done this way, when in the past it has been a matter of a separate bill that the parliament could discuss in a substantive way? Can the minister explain why it was contained in a cognate debate, which does not allow for substantive debate or substantive amendments? Does the government really have the discretionary authority to alter the terms of the cognate debate, given that I have corresponded with Minister Albanese, with a copy to you—and I have yet to receive a response—about the opportunity to discuss that matter in a substantive way?

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (19:09): I thank the member for the questions. I just need some clarity from the chair: is the substantive question there about the increase in the $250 billion? Is that the substantive question?

The DEPUTY SPEAKER (Ms S Bird): Does the minister seek to ask a question of the questioner?

Mr SHORTEN: No, I need some clarity from the chair.

Mr Robb: It was a series of questions.

The DEPUTY SPEAKER: The minister is free to interpret that question as he sees fit; I am not going to interpret the question.

Mr SHORTEN: I am happy to talk generally about the debt issues and the savings and the tough decisions the Gillard government made in the budget, but I will reserve my right, on a point of order, as to relevance and refer to standing order 76. If we are talking about Appropriation Bill (No. 1), and most of——

Mr Tony Smith: Madam Deputy Speaker, I rise on a point of order. The minister may not be totally familiar with the procedures of the Main Committee and how it works. He is duty bound to take a note of the questions—this is a free-flowing exchange—and to deal with each of the questions. If so early in the evening he wants to hide behind all sorts of excuses, that is a very bad start.

The DEPUTY SPEAKER: The member has made his point of order, and I have given the minister the opportunity to interpret and take the question as he sees fit.

Mr SHORTEN: I did seek guidance. It is not my fault if I had to listen to a poorly drafted ramble. The point which I am coming to——

Mr Robb: I asked you a number of specific questions. If that is a poorly——

Mr SHORTEN: Yes, it is. I reserve my right on one aspect, and I will go to the other——

Mr Robb: You can't remember what I asked you.

Mr SHORTEN: Man, you'd need a compass and a cut lunch to follow your question! I am just saying that I am reserving my right on one aspect—I will go to the others; I can understand Mr Robb's impatience to hear my logic—because in standing order 76 the debate is confined to Appropriation Bill (No. 1). Any exception to the standing order can only relate to the second reading debate and not to consideration in detail. I will not quote standing order 76, as no doubt such senior experienced members of the opposition are intimately familiar with it, but we are debating here Appropriation Bill (No. 1) in detail. Questions around the debt cap specifically go to Appropriation Bill (No. 2), and they are not in order for consideration in detail.
Mr Robb: It's a cognate debate, remember?

Mr SHORTEN: All right, but I am sure you regret your question.

Going to the issue of debt, let us go to the alleged opposition narrative on debt. Let us talk some numbers. The member for Goldstein, perhaps anticipating the answer because it is somewhat self-evident, said, 'No doubt the government will talk about percentages.' Do you know what? He is right. Let us talk about the debt; let us see how Australia is going compared to the rest of the world. Let us use net debt, the key aggregate used for international comparisons. At the peak, under Labor's economic stewardship, which is represented in its flagship, the budget, it will be at 7.2 per cent. If you imagine the Australian economy has GDP of $100,000, net debt will be $7,200. That is very good going. And let us have a look at interest payments: 0.4 per cent at its top—or, using this analogy of the Australian economy at $100,000 GDP, net interest under Labor is $400 out of $100,000. Come in spinner—a beautiful set of numbers! No problems.

Now we have had a look at the debt bogeyman, which is just a shadow cast by a mouse, we look at the issue of how tough is the budget. I am happy to draw the shadow finance minister's attention to Budget Paper No. 1. We go to the decisions we have made, and we look at the impact of policy decisions and natural disasters. I draw his attention, in case he has not had a chance to open the book—he does not appear to have one in front of him; he has a good memory—to 3-14, which talks about the impact of decisions. The member has talked about MYEFO and estimates since then. The reality is we have had some natural disasters since then, shocking disasters, and they have had a big impact on revenue. Even so, despite the natural disasters we have had, this government in this budget has made distinct and difficult savings. We are winding back the largesse of the Howard years—the creep of welfare to nearly every family in Australia. Again I would draw the member for Goldstein's attention to the boxes on 3-12 and 3-13: 'Savings in the 2011-12 Budget', 'Family Payments System', 'Health services', 'Tax expenditures'—we are making the hard decisions.

Mr NEUMANN (Blair) (19:14): When I was a young boy growing up in Ipswich, my dad was a cleaner at the meatworks and my mum was a shop assistant. They were very proud of the fact that Bill Hayden, our local member, the member for Oxley, was the Treasurer in the Whitlam Labor government. Bill was a very well respected person in the local community. I remember that my mum and dad were always very pleased about the fact that, when there was a Labor government in power—sadly enough, there were not too many Labor governments in power when I was growing up—the budget would say what a Labor government really stood for, what a Labor government meant to the working people in Ipswich, and what it meant for jobs, apprentices, skills, the local economy and the national economy.

In my area at the moment we have a high unemployment rate. Our local employment coordinator, Samantha Wilson, works in the Ipswich and Logan areas and does a good job. I was pleased that there was an extension in the budget of the $45.2 million over two years to support the 20 priority employment areas in south-east Queensland and other places. This is very important for my area because, traditionally, Ipswich has been a manufacturing area. When the economy goes down, unemployment rises in the area, particularly among the Indigenous community and the low-skills area. From dealing with local employment providers and organisations that assist young people get into employment, I know that is
important. The jobs expo that we saw at the Ipswich Showgrounds was really important. Hundreds of people got jobs as a result of that venture.

I will defend the BER. Those opposite will not support the BER. There was $109 million of investment in my area. As I understand it, jobs were created in this budget and assistance was given to apprentices as well. One of the proudest things I have seen is the jobs created in south-east Queensland, at places like the Ipswich Motorway, which is a $1.95 billion investment by the federal Labor government in south-east Queensland, linking Ipswich and Brisbane. That was extremely important and up to 10,000 jobs were created. I was extremely pleased to see the jobs created in the last three years and pleased to see the opportunities for young people through places like the Ipswich Trade Training Centre at St Edmund's College. I was also pleased to see $2 million invested in Bremer TAFE. Bremer TAFE has been a wonderful vocational institution. We have seen that operating in the Ipswich area for over 100 years and training young people, many for the mines in North Queensland and Central Queensland. We have seen jobs created through partnerships between Bremer State High School and the University of Queensland's Ipswich Campus. We have also seen a vocational focus at USQ, the University of Southern Queensland, with business training at Springfield.

I am pleased to ask the Assistant Treasurer some questions. I think this is very important for my area. Those opposite can sneer and whinge, but I think these considerations in detail are very important. I think it is good to get both national and local information. Queensland is a growing state. It has grown so much in the last 10 or 15 years. You can see that with the number of representatives we have. Sadly, there are not enough on this side and there are too many on the other side. Certainly, Queensland has big mining projects and big infrastructure. We have seen double the amount of funding for infrastructure in Queensland under this government than the previous government. I am pleased to support what we are doing. I ask the Assistant Treasurer these questions: how is the government investing in the jobs that we need in south-east Queensland and nationally; how is the government creating more apprentices and giving the skills to the Australian workforce that we need, particularly in a growing state like Queensland; how will the budget keep the economy strong; and how will it do that for Queensland and nationally?

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (19:19): I would like to thank the member for Blair for his question and the ongoing work he puts into the participation and productivity agenda in Australia and, indeed, in his own area, in Ipswich and other regions. There are a range of initiatives in the budget on participation and productivity—in fact, there are a lot of initiatives on participation and productivity in the budget. Obviously the member is familiar with some of them, but I draw his attention to Budget Paper No. 2—and, again, I note that the opposition has one budget paper between the two members here, so they could share—at page 131. We are looking at linking—

Mr Tony Smith: It's the ACTU handbook.

Mr SHORTEN: How is it that I start talking about linking job seekers with a disability and national employers, and I get catcalls from the member for Casey? We are also proposing to put in place wage subsidies for people with a disability. We all know that people with a disability have not shared in the long prosperity of the last 20 years. So we are looking at further wage subsidies. We are also putting in place wage subsidies for the very long-term...
unemployed. This is an important initiative because, whilst Australia has been doing well— despite the difficulty of the global financial crisis and despite the benefits of the mining boom mark 1 being squandered by the opposition when they were in government—there have been pockets of disadvantage, and there are families where you have second- and third-generation unemployment. So we are putting in wage subsidies for these people, to assist them to get the chance to break the cycle of unemployment.

We are also accelerating Australian apprenticeships. So if you are a very motivated trades apprentice and you can get through the units of your learning and your employer is satisfied with your work, we can accelerate your apprenticeship. We are also providing additional language and literacy programs to assist people in the workplace. Interestingly enough, we are also providing mentoring for apprentices. We think this is a good idea, and perhaps some of the inspiration comes from watching the member for Berowra assist the member for Longman. Apprenticeship mentoring—it happens everywhere. We are also looking at the access arrangements for Australian apprentices. This is a government which, in each budget since being elected, has supported apprentices and supported the development of apprentices, and I would invite the members opposite to attend some of the apprentice jobs shows and see what a good job is being done.

But it does not stop there. We are putting in place compulsory participation plans and support for teenage parents. We are also looking at changing the eligibility criteria for youth allowance so that our young people who are 20 and 21 will get the youth allowance if they are at home rather than the unemployment benefit. These are tough decisions but decisions that this government is making in order to ensure that everyone is encouraged to participate.

I have made it clear also that we are looking at putting in place compulsory participation requirements for families and for people in jobless families in targeted locations—a tough call, but one that I would hope the opposition would support us on. We are also looking at working with group training apprenticeship schemes—very good—and we are also providing incentives for single parents and parenting reform.

We are working with Indigenous youth and Indigenous job seekers. A great little scheme which I think the parliament should be made aware of is the Indigenous Ranger Cadetships. They will go some way to assisting Indigenous Australians in remote communities. There is good news also for mature age workers—good news indeed. We are providing more assistance to help mature age workers. Registered training organisations will be eligible for grants of money for people who are older than 55 so that those people will be able to gain assistance in seeking work.

We are also looking at working with the states. We are identifying areas—regions of Australia, postcodes—to be provided with a bundle of employment initiatives. We are also looking at making sure that we are working with all of the services for job seekers so that people are encouraged to be able to reach out and find that work. We are making sure that, as we develop these services, we are working with the single parents to make sure that they are able to enter the workforce. Indeed, as the member for Blair would know, we are also working on a range of issues in terms of child care to allow parents to be able to participate more in the workplace. There is a lot being done in the field of productivity and participation in the budget.
Mr ROBB (Goldstein) (19:23): I was reminded of something when the minister talked about participation in training. I would be grateful if you could give us the reasons why the trade training centres, which were heralded so magnificently for four years, were scrapped—2,650 trade training centres, some of which you had begun to put in place but then were unceremoniously scrapped. You wrung an endless amount of publicity from that. Do you want this in short syllables so that you can write it down? Most of my questions last time were not answered, Minister. Have you got someone writing a note for you?

Mr Shorten: If I was asking a question I would ask another question altogether; syllables don't help your question.

The DEPUTY SPEAKER (Ms S Bird): The member for Goldstein has the call and will continue.

Mr ROBB: Thank you, Madam Deputy Speaker. But he does not answer the question, so it is a bit of a futile use of the time anyway. But, Minister, if you could firstly explain why the trade training centre scheme was scrapped, it would be very helpful to know why you have done that, because you have now substituted that spending for other things which are now making a song and dance. You have scrapped the scheme. You scrapped the trade training centres. Some were built, but they have overwhelmingly been scrapped.

Secondly, Minister, could I go back to the debt and just ask you—again I will speak slowly—who took the decision to contain the debt-raising proposal in a secondary appropriation bill and why it was done in this way when in the past it has been stand-alone legislation.

Thirdly, I did send a letter to Minister Albanese asking if we could have the debt-raising element of the bill separated. I have not had a response from him. Minister, you got a copy of the letter and you are the relevant minister in any event. I seek leave to table the letter that I sent to the minister.

Leave not granted.

Mr ROBB: You have not seen it but you do not want to see it. This is a joke. This is a total joke. Anyway, you might rely on me—probably not.

Mr Mitchell: I would not rely on you.

Mr ROBB: I am talking to the minister. You get back in your box. You will get your screed that you can read in a minute. Someone gave it to you. You will get your chance, so keep the trap shut.

The DEPUTY SPEAKER: I draw the House to order. While this chamber is more robust, people will deal with each other in an appropriate manner. The member for Goldstein has the call.

Mr ROBB: Thank you, Madam Deputy Speaker. I sent a note to Minister Albanese—copied to the minister, though unfortunately his staff have not drawn it to his attention—where I formally requested that the terms of the cognate debate be altered to accommodate a substantive debate on Appropriation Bill (No. 2) 2011-2012. I would ask the minister, as he is the minister responsible, if I could get a response now on whether or not the government is prepared to alter the terms of the cognate debate. There is still an opportunity to accommodate a substantive debate.
Finally in that area, I would be grateful to know why the special circumstances clause has been removed. This clause was a major factor when the government asked the parliament to increase the debt ceiling from $75 billion to $200 billion. Now that the ceiling is rising to $250 billion the government no longer sees a requirement to provide any reasons why the debt should go above $200 billion without any explanation about special circumstances. Could you explain the special circumstances and also why that clause has been removed.

Finally, in the 2009 budget the government included an estimate of the revenue from the emissions trading scheme, and the associated costs, and it was included in the budget. I would put to you, Minister, that this time round the government is, in fact, at a more advanced stage and has the benefit of all the modelling that has taken place but has decided not to include the estimate. Could you please explain why you did include it in 2009 but not in this year's budget. (Time expired)

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (19:28): Thank you very much. Of the five questions that were asked, two go to the issue of Appropriation Bill (No. 2) 2011-2012 and the debt cap. Again I would refer to standing order 76—

Mr Robb: You are going to take the fifth here, are you?

Mr SHORTEN: Listen, if you do not like the rules, change them. But they are the rules and, if you do not like them, go and have dinner.

Mr Robb: All right. That is what you want to do. You are a disgrace!

Mr SHORTEN: Appropriation Bill (No. 1) 2011-2012, on the contrary—

Honourable members interjecting—

The DEPUTY SPEAKER (Ms S Bird): Members will settle down. Members from both sides of the chamber will settle down.

Mr SHORTEN: Need I say Peter Costello?

Honourable members interjecting—

The DEPUTY SPEAKER: The minister will resume his seat for a moment. When we are all ready I will proceed. The Assistant Treasurer has the call.

Mr SHORTEN: In terms of Appropriation Bill (No. 2), which is the reference to the debt cap and the proposition to increase that to $250 billion, under standing order 76 that is not an item for consideration in detail. Are the opposition so bereft of ideas to talk about in all of Appropriation Bill (No. 1) that all they can do is squander their opportunities to ask questions on Appropriation Bill (No. 1) and instead refer to Appropriation Bill (No. 2), which they know is not up for consideration now? They know this. We said this earlier, reserved the right and gave fair warning to the eminent member for Goldstein to say Appropriation Bill (No. 1)—

Mr Tony Smith interjecting—

Mr SHORTEN: The member for Casey keeps interjecting but he does not actually ask a question. Appropriation Bill (No. 2) relates to the issue with the debt cap. They know that, but the opposition would still rather focus on that, even though I have made clear that our net debt issues are very small in comparison to those of the rest of the world. So two of the five questions are to do with a bill which is not being considered tonight, but I will go to the other
three points, as I can best recall them, from the member for Goldstein's question. The first one went to trade training centres. The second was about some correspondence to the Leader of the House. The final proposition was for us to change our mind, as I think he was putting it, on debating matters cognate.

Mr Robb: And the emissions trading scheme.

Mr SHORTEN: Yes, I am sorry, and the emissions trading system. Thank you, there were six questions. In terms of the procedures of the House, the government made clear and we put it up to the House that we will have the matters debated cognate. You had shadow ministers at the table. The member for Mackellar was there on duty, a sentinel for conservatism at the table, and she did not even raise a whimper. Whilst the opposition make great play at night, as far as I could tell the member for Mackellar had her eyes open. She certainly seemed alive, awake and breathing, a formidable sentinel for conservatism, but when the proposition was for all the bills to be debated cognate she said nothing—not a whimper, not a squeak. The member for Mackellar is a formidable advocate and I have seen her rise on less than a reason in the parliament. If the opposition think there was a reason to debate it, they missed it, so I can understand that they are embarrassed.

On trade training centres, we certainly have done some good work, but I think it is a little specious of the member for Goldstein to say, 'What's happened to apprenticeships, what's happened to trade training centres?' when in fact this whole budget is a telephone book of effort on doing more for apprenticeships, more for training and more for skills. There is a veritable telephone book of accomplishments, and I think I have given the page reference, in Budget Paper No. 1.

Mr Robb: What about trade training centres? That's all I want to know.

Mr SHORTEN: I am making it clear that when you talk about trade training centres you open the door to say apprenticeships. I am making clear that there is a great proposition on apprenticeships in this budget and we have done well with trade training centres so far. If the member for Goldstein misses them so much I just wish he had had the honesty to support them when we had them there.

Then we get to the issue of the ETS. I am surprised that the opposition are complaining that we do not do things like the ETS. If you liked the ETS so much, why did you vote it down? Why did you vote it down with your allies the Greens on that matter? The budget outlines decisions that have been taken. The short answer to the member for Goldstein is: the final decisions on the carbon price have not yet been taken. When you introduced the GST, when you said you were going to do it, you did not put it in your budget. (Time expired)

Mr MURPHY (Reid) (19:33): I did not come here tonight to speak about trade training centres but I would mention for the benefit of the member for Goldstein and the member for Casey that the vocational trade training centre in my electorate of Reid which was sited on the old Christian Brothers college in Burwood is a state-of-the-art trade training centre. Minister Garrett and the Prime Minister have visited the trade training centres and they were supremely impressed. The centres are providing an invaluable service for people in the inner west of Sydney.

Mr Robb interjecting—

MAIN COMMITTEE
Mr MURPHY: You asked the minister a question and the minister gave his answer. I did not come here to mention that but I am quite happy to give a commercial to Minister Garrett and the Prime Minister in relation to the vocational trade training centre in Burwood in my electorate. I also take this opportunity to give some feedback to the Assistant Treasurer in relation to the budget being very well received in my community, particularly in the business community. I had a meeting with the President of the Burwood Chamber of Commerce last Friday. He is very, very impressed, as other members are, that the budget will return to surplus in 2012-13, because they know we are the No. 1 economy in the OECD and they know the importance of maintaining a very, very strong economy to make sure that we keep people in jobs, and that is critical for a Labor government.

My question, Minister, is: I would like to know what the government is doing for not-for-profit reforms. I would be grateful if you could inform the chamber of those initiatives.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (19:36): I would like to thank the member for his question and his ongoing interest in the important not-for-profit sector. The member understands that the not-for-profit sector employs nearly one million people and is worth $43 billion in activity to our economy.

Mr Robb interjecting—

Mr SHORTEN: I know the member for Goldstein does not want to hear about the not-for-profit sector. He had his chance. I would sack your question writer. Returning to the question, and not to be distracted by the interjections of the member for Goldstein, let me say there have been numerous reviews about the future—

Mr Chester interjecting—

Mr SHORTEN: The cavalry has ridden over the hill: the member for Gippsland is here; now it will get interesting. We have upgraded the quotient. There have been numerous reviews of the not-for-profit sector. As far back as 1995 there were calls for the establishment of a not-for-profit commissioner in order to streamline the regulation of not-for-profits. As much as members of the opposition interject, it does not stop them from coming around to see the Assistant Treasurer about a deductible gift recipient status for their favourite charities. We hear one thing in the parliament but another thing I am told is: 'You have to understand, Bill, that this is just politics. Let us do business.'

This is important stuff. I believe, all partisanship aside, that the opposition believe in reform for the not-for-profit sector. I know you believe in it. I know the better angels of your nature think that this is important work. What we are looking at doing is establishing a not-for-profit commissioner. We are going to put an interim commissioner in by 1 July. Over the next 12 months we will be seeking to create one central point in government where not-for-profit agencies can go. It will save a lot of red tape. The not-for-profit sector have been calling for it for years and, as I said, there have been plenty of reviews to this point. In addition, what we will do in the next 12 months is to open up a dialogue with the states. We had a choice: we could do nothing and keep talking to the states or we could at least establish a regulator—hopefully to be in place by 1 July 2012—for the 60,000 charities that are currently covered by Commonwealth law. We hope to reach out to the other 540,000 not-for-
profits who are regulated by state and territory jurisdiction. We will get a move on and open up what we are doing at the Commonwealth stage. But it is not just that.

We also intend to introduce a statutory definition of a charity. This was a touchy issue under the old coalition government. They liked the idea of a statutory definition of charity but they did not like the idea that groups could be advocates. In other words, they loved the view that you could see a thousand victims of domestic violence, but if that group chose to advocate more reform, that was a different issue and that was going to make it harder. The opposition—the then government—understood intuitively, instinctively, the value of a statutory definition of a charity; they just did not like groups that advocate. This is a government that welcomes advocacy. We understand the value of the third sector, so we will be putting forward a proposition around a statutory definition of a charity which the regulator will administer. I have to say that we have also made clear a number of other decisions flowing from this. We have said that, for charities that have investments and activities in unrelated commercial ventures, where the money is not remitted back to the charity for the purpose for which the charity was established, that operation will not receive the same tax concessional status. I think most people across the political divide think that is very good.

What we are going to do further with the not-for-profit regulator is to have the back office function provided by Treasury and the Australian Tax Office for the next 12 months. The view is that by 1 July 2012 we will have a completely independent not-for-profit regulator, who will report to the Assistant Treasurer. We have set up an interim task force. We have nominated Mr Robert Fitzgerald, a Productivity Commissioner and former head of ACOSS, to chair the interim task force. He is well respected throughout the not-for-profit sector. He has been a long-time advocate for improvement, reform and modernisation. We are yet to announce the interim commissioner, but that decision, I am sure all members will be pleased to know, is imminent.

We think the not-for-profit sector is a very important part of Australian life. Henry Lawson wrote a story in which the hero sends around a hat whenever someone is indigent and has fallen on hard times. We think that Henry Lawson's values of the mid-19th century still echo in 2011. We certainly believe the not-for-profit regulator will be an agency to assist in sending the hat around. It will be good for philanthropy, charities and the many thousands of people who work ceaselessly in the charities. I acknowledge the work of Senator Ursula Stephens; the Minister for Social Inclusion, Tanya Plibersek; and the member for Melbourne Ports. (Time expired)

Mr TONY SMITH (Casey) (19:41): I want to start by saying how extraordinary and disappointing the Assistant Treasurer's conduct has been here tonight in this important Main Committee meeting to consider the budget in detail. This is the closest thing the House has to the estimates process. It is quite clear from his conduct over the last 40 minutes that his sole preparation has been to conjure up as many excuses as he can, not to answer specific questions and to bring along with him as many colleagues as he could to waste time. The House ought to know that this conduct by this minister tonight—

Government members interjecting—

Mr TONY SMITH: Those opposite may interject. That is part of their riding instructions. This is not some ALP state conference. The record ought to show that the conduct of this minister is not only out of step with previous ministers who have spoken broadly but also out
of step with the conduct of his own colleagues, including other ministers who appeared earlier this evening. That is the minister's choice. That speaks volumes about his approach to his job. It speaks volumes about his ability to be across the detail of that job.

He clung to the standing orders, which has been his preparation, all afternoon about how not to talk generally about the budget. This is the government's budget. His performance has been absolutely pathetic. He is here on behalf of the Treasurer to talk about the government's budget. He ought to know it backwards. He is the Assistant Treasurer. Previous people in his position have come to this committee and taken questions for an hour and have attempted to answer them. They have not organised colleagues to come into the chamber and waste time, as these three colleagues of his have been organised to do, no doubt by him. He ought to answer the questions put to him by the member for Goldstein. He spoke generally about the budget when it suited him. He ought to be across it. I want to ask him a series of questions, given that he spoke generally about the budget when it suited him. I would like him, as a Treasury minister, to remind the Main Committee of the forecasts in the budget for the unemployment rate and the consumer price index in 2011-12 and 2012-13.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (19:44): I am a little disappointed by that ad hominem attack by the member for Casey. I thought he was better than that. Clearly, I am to be disappointed. In terms of the general discussion first of all, I cannot allow the persiflage of the opposition to slip by unremarked upon. The opposition complain that government ministers ask questions. This is hardly a surprise. If the opposition are surprised by it then they must be more lazy than I realised they were. I waited for questions. In terms of the CPI forecasts, in 2011-12 inflation is 2¾ per cent and unemployment is 4¾ per cent.

Mr Tony Smith: And 2012-13?

The DEPUTY SPEAKER (Ms S Bird): The member for Dobell.

Mr Shorten interjecting—

The DEPUTY SPEAKER: I am sorry; can the Assistant Treasurer hold. The Assistant Treasurer will hold for a moment.

Mr Tony Smith: No, I asked you about both. You weren't listening. The Hansard record will show—

Mr Shorten interjecting—

The DEPUTY SPEAKER: No, the Assistant Treasurer does not have the call. The call was given to the member for Dobell.

Mr Tony Smith: I rise on a point of order, Madam Deputy Speaker. I asked the Assistant Treasurer questions relating to two years, 2011-12 and 2012-13. He just said that he was only asked about one year and he sought to answer the question—

The DEPUTY SPEAKER: There is no point of order. The minister answers the question as he sees fit.

Mr Tony Smith: Madam Deputy Speaker, on a further point of order: given that the minister has not answered questions tonight and he is now starting to answer them, I would ask you, on indulgence, whether the minister could be given the chance—
The DEPUTY SPEAKER: I point out to the member for Casey that that is not a point of order. I have given the member for Dobell the call.

Mr CRAIG THOMSON (Dobell) (19:45): If it assists the member for Casey, I will ask the Assistant Treasurer as part of my question: what are the inflation rates and the unemployment rates for 2012-13 as well as 2011-12? That was not what I was going to get up to talk about, but I know that you wanted to get that question in and I am making sure that that question is asked so that the Assistant Treasurer can answer it.

I wanted to talk about how well received the budget was in my electorate, for a number of reasons, and then I will come to a specific question about my region. My region has a lot of commuters. We have higher unemployment than the rest of the state and we are one of the 10 areas in Australia that is being singled out and looked after in this budget in relation to unemployment issues. That is important to note by way of background for the question that I want to ask. But we also have a number of large industries, predominantly food processing. We have Sara Lee, MasterFoods and Sanitarium.

In fact, the Leader of the Opposition came to Dobell the other day to visit Sanitarium and talk about the price of Weet-Bix. It was great to have him in the electorate. I said that while he was up there, if he wanted to talk about climate change, the opposition leader was very welcome to come with me to look at the flooding around the lakes. Today we actually have people being evacuated around Tuggerah Lakes due to flooding. We have houses falling into the water at Norah Head and North Entrance. So I was happy to show him, if he wanted to come to an electorate to look at what climate change is about. He came to the right electorate. Unfortunately, he was more interested in a stunt about Weet-Bix than in that.

Having made those points, the primary area of employment on the Central Coast is small business. Small business is what employs the most people. We have a great record in terms of small business and innovation on the Central Coast. We have a BEC that this government funded in previous budgets. I was talking to Wayne Gates, the CEO, only last week about how successful it has been in mentoring and growing businesses there. But what I am particularly interested in is what sorts of packages there are in this budget that will assist small business. In particular, we also have a large number of tradesmen who buy their vehicles. They commute down to Sydney to do a lot of work. In fact, I think my electorate has one of the highest proportions of tradesmen in Australia, so I am very interested to see what measures in this budget would assist tradespeople and small business people. I seek an answer to that from the Assistant Treasurer, along with an answer to the important question about unemployment and inflation in the year 2012-13 which the member for Casey tried to ask last time.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (19:49): I thank the member for Dobell for doing the job of the opposition and asking a question. The inflation forecast for 2012-13 is three per cent, and the unemployment forecast for 2012-13 is 4½ per cent. Of course, that is in the budget papers. I watched the member for Casey's questioning style and he is not above asking the odd number question. I saw him ask a question on the terms of trade. So I appreciate that for all the sound and fury of the desperate need of the opposition to ask questions, the member for Casey's form is to ask basic economic data questions which, to be honest, a year 10 student could find out on Google. Anyhow, if that is how he wants to use his time—the point is that these
questions should be for insight, not data and fact collection. If you want data and fact collection, open the budget.

I am sufficiently alarmed by the member for Casey's lack of knowledge of the basic economic data that I think he may not be aware of what we are doing for small business. The member for Dobell is a relentless advocate for small business in his electorate. Indeed, he is getting me to come and meet people in his electorate, and hear what the issues are on the Central Coast. I am optimistic for the Central Coast in the long term. I think the coastal regions of Australia will grow and will boom. And they are fortunate to have, by and large, Labor members of parliament, because they will fight hardest for their regions.

On 1 July 2012, as a result of the budget, 2.7 million small businesses will be able to instantly write off the first $5,000 of a vehicle or truck purchase. That is good news. That is costing $350 million. That is a direct, tangible help. Often we leave this place and go into the real world and talk to people about what we are doing. What we on the government side are able to say is that because of us, because of the budget, there is another $5,000 you can write off your vehicle. That is real. Leave aside all the opposition's scare mongering—I know that plenty of individual members on the opposition appreciate the real accomplishments of this budget; that is why they have infested the openings of the Building the Education Revolution school halls like serial pests, even though they voted against it. It is almost like they have two sets of clothes. They have their Canberra clothes, which are opposition, opposition, opposition; they get out into the electorate and they want to associate with the real things that this government is accomplishing.

But it does not stop there. What it means is that when the tradesperson, such as those that the member for Dobell represents, takes the $5,000 write-off they will be able claim $1,275 back. That is what they will get back. That is real money. As much as the opposition want to decry this budget, that is something real and tangible. Furthermore, combine that with our write-off of $5,000 for assets. Then there is the small business company tax. That is an important part of the strategy of the government for helping small business. We are proposing, when we pass our minerals resources rent tax, to use some of the revenue from that to decrease the company tax of small business from 30 per cent to 29 per cent. That makes a real and material difference to the operation of small businesses. Furthermore, on budget night we announced $700 million of tax instalment relief for small businesses. We think this is a good gain. We think that is a benefit for small business and we understand that that instalment relief will assist businesses experiencing difficulty in cash flow.

The other good news is that with the fringe benefit tax reforms to motor vehicles, some people who had been previously driving their vehicle just beyond a certain point to claim the better deduction rate for the fringe benefit tax benefit on motor vehicles will no longer have to engage in that behaviour to get the benefit. There is a range of benefits for small business.

Another proposition I feel obliged to draw to the attention of the committee is that in the last budget—the one before this—we announced a clearing house for superannuation. In what can only be described as a misfire or a clanger or a mistake or an oopsy moment by the opposition, the Leader of the Opposition, in a demonstration to try to prove he is not just Dr No and Professor Negative, said the coalition will announce a clearing house for superannuation: they can remit their money. The Leader of the Opposition said, 'You can pay your money, small business, to the tax office and they will remit to all the superannuation funds of
the employees.' Sounds like a good idea except for one thing. We have already done it. It is already happening. We are using the Medicare office—4,500 employees have used it; $45 million has been dispersed; 86,000 payments have been made; 29,000 employees. It is a good idea but it is a bit like the opposition claiming credit for inventing the wheel. Just bad luck that someone else has already got there.

Mr ROBB (Goldstein) (19:54): I am deeply frustrated, annoyed and bewildered by the lack of any substantive answer we have had. The minister just said in his recent response that these question periods should be about gaining insight into the budget—the most important document of the year. We have a cast of thousands here and I have had no insight given by the minister into anything. What he has said basically all night is a repeat of what was in the Treasurer's speech, which any year 10 student could google and get the answers that you have given tonight. I did seek to get some insight into the debt, I did seek to get some insight into trade training centres. They were legitimate, reasonable questions to ask in most cases why you have done it, to give us some insight.

Let me ask you about another area, the structural deficit. I would ask for some insight this time, not just a lot of pap in your response. Minister, why did the government not feature any significant discussion about the structural deficit or forecasts about the structural deficit in the budget papers as it has before? Does the minister accept that the current structural deficit is of the order of $35 billion, as can be deduced from the work done by Treasury a couple of years ago and added in a separate paper last year? Minister, have you seen that document from last year about a structural deficit? Does it worry you that this country has got an underlying structural deficit of $35 billion given that the forecasts on revenue are about as Pollyanna as you could ever get and they go out forever? Aren't you concerned if there is some reduction in the terms of trade greater than what is anticipated that the structural deficit may in fact lead to this country being lumbered with debt and deficits for a decade or more to come? Minister, given that the IMF and the OECD regularly publish these estimates of structural deficits, do you think that Australia should be able to do so and should do so? It is not an unreasonable question.

Mr Shorten: I'm glad you critique your own questions.

Mr ROBB: I am not getting any answer; I am not getting any insight. You can have your smart shots, but I would not mind answers to the questions. Finally, Minister, do you think it is possible that the terms of trade could fall from their current high levels given the supply response to resources that is building around the world, and what impact will that have on the $35 billion existing structural deficit? He was not even listening.

Mr Shorten: I'm sorry I did miss the last few minutes of Goldstein magic.

Mr ROBB: I rest my case.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (19:57): In amongst the polemic and the diatribe—I have to say demeanour is a little grumpy for the member for Goldstein—

Mr Robb interjecting—

Mr SHORTEN: No-one kept the member for Goldstein here. If he did not come well prepared with questions about Appropriation Bill (No. 1), don't blame the government. You
asked about structural deficit. You know we do not publish a structural deficit. It is assumption driven and we have not published it—

**Mr Robb:** You did two years ago.

**Mr SHORTEN:** You know we have not done it in this budget. You know that to be the case. Let us go to what worries the member for Goldstein and keeps him up at night. He did refer—

**Mr Robb:** Five questions on the structural deficit; give me one answer.

**Mr SHORTEN:** We do not publish it. In terms of what the member was saying about—

**Mr Robb interjecting—**

**Mr SHORTEN:** I am sure the officials are grateful they do not have to work for you. I am sure they notice the difference in the opposition from when the former member for Higgins was there to now.

**Mr Robb interjecting—**

The DEPUTY SPEAKER (Ms S Bird): The member for Goldstein will remain silent.

**Mr SHORTEN:** As much as the member for Goldstein wants to single out Commonwealth public servants and start attributing—

The DEPUTY SPEAKER: The Assistant Treasurer will hold for a moment. There are one and a half minutes left. I will ask the member for Goldstein not to continue interjecting and the minister not to respond to interjections and to use the time that is left.

**Mr Andrews interjecting—**

**Mr SHORTEN:** The member for Menzies brings his own particular form of charm to the debate. The member for Goldstein, amongst his angry, grumpy rave about how he would rather be somewhere else, did ask about the terms of trade. I draw his attention to our forecasts on page 2-10 of Budget Paper No. 1. We are forecasting it at 19¼ per cent this year. There has been some debate. There was debate in the main chamber about terms of trade, which the member for Casey raised. He asked the Treasurer about the terms of trade. We are forecasting that our terms of trade will reach their highest sustained level in more than 100 years. This is based on the rise of our non-rural commodity exports. We are also forecasting, in 2011-12 and 2012-13, a decline in these terms of trade, obviously as other suppliers around the world come online.

More generally, the shadow finance minister has complained that he has no insight about the budget. He is not even listening to the answer to his own question—very unprofessional. Anyway, perhaps the member for Casey could relay my comments to him, or indeed the member for Menzies. This is the narrative: we are keeping real spending down; we have made tough savings; the opposition, when it was in government, ignored the capacity constraints; our tax-to-GDP ratio is much better than the opposition's tax-to-GDP ratio was when it was in government. We had the global financial crisis. I think there is almost a degree of disappointment on the part of the opposition that our stimulus package, which it opposed, has been so successful. It also opposed our flood levy. We put in a flood levy and found a lot of other money to deal with natural disasters.

We have a fiscal position to create more jobs, to get the budget back into surplus and to spread the benefits of the mining boom. That is the story of the budget. The story of Australia
is that we are an economy in transition. This government is best able to handle the economy and the transition to make sure that we get back into surplus, that our children are getting a proper education and that we are investing in skills. We are going to roll out national broadband and we are going to increase superannuation from nine to 12 per cent. Let me again put on record this question: why does the coalition keep opposing increasing mandatory superannuation from nine to 12 per cent when most of those opposite are on a defined benefit or they receive 15 per cent? One should practice what one preaches. I can only assume that when the opposition votes against it for all Australians it will be handing back its own superannuation and reducing it to that which it expects its voters to live on.

Proposed expenditure agreed to.

**Human Services Portfolio**

Proposed expenditure, $4,203,004,000

Mr ANDREWS (Menzies) (20:02): I note that, at least at the moment, there are a number of members in the chamber who represent rural and regional areas of Australia. In that context, I want to ask the minister about the decision relating to the Medicare access points and the closure of those access points. I am seeking information, so I can handle this in a couple of ways. I can put all the questions to the minister now, but I am also happy for the minister to take them one at a time or however she would like. I am not seeking to make some political point about this; I am seeking information about the process.

Ms PLIBERSEK (Sydney—Minister for Social Inclusion and Minister for Human Services) (20:03): Ask them all now.

Mr ANDREWS (Menzies) (20:03): Firstly, can the minister provide the chamber with a list of all of the Medicare access points that are going to be closed and the timetable for the closure of those points? This is something that is of importance to many communities throughout Australia. Secondly, in relation to each of those closures, what consultation might have occurred with the provider of the service and, more importantly and more significantly, the local community where this service is being and has been provided up until now? I am also interested in the savings service by service and, in relation to that, I have a subquestion. I have been informed that in many instances the service provider, if I can call it that, has been prepared to continue to provide the service without any cost to the government. I would like to know, if that is true—if such offers have been made—why that has been rejected, because it would seem to be a win-win situation for local communities. I would like to know whether any survey was undertaken—or, if not, why not—in relation to the people in these areas around whether or not they are capable of using Easyclaim. I think the minister would recognise that there are many Australians whose ability to use Easyclaim may not be as great as the ability of people sitting around this room. I would like to know how many people in remote and regional areas are not able to access telephone or internet services, particularly the elderly and vulnerable members of society. I suspect that at least some of these people may well have written to the minister or to the agency on this matter and I would like to know what the response has been.

In a nutshell, I am seeking information about the basis upon which this decision was made, the consultation with local communities and particularly whether there has been any survey or consultation around whether people can use alternative forms to make these claims. I also
have some questions in relation to other matters, so I do not know whether the minister wants
to take them all now or deal with one subject at a time.

Ms Plibersek: I am happy to take them all now.

Mr ANDREWS: I understand other members wish to ask questions. I will not spend time
on grand rhetoric; I will try to get to the questions I would like answers to. In relation to
communications at Centrelink, answers were provided at Senate estimates last week that
suggested that the General Manager, Communication, of Centrelink, Mr Jongen, 'works
closely' with your office in the preparation of items for the media. How often is your office in
contact with the gentleman in question? To what extent are his media activities directed by
your office? How does this relationship work? One could cynically suggest that the gentleman
in question is rolled out on programs like Today Tonight for puff pieces when there is other
more significant and possibly bad news on the horizon.

Ms Plibersek interjecting—

Mr ANDREWS: I will not respond to the interjection. I am interested in the relationship
between the gentleman in question and your office, Minister.

Finally, in relation to the Centrelink disaster relief fraud task force, according to answers
provided in Senate estimates in February this year, as of 23 February 2011 Centrelink
reported that it had only recovered $124,735 more than it spent on investigating fraud of the
disaster relief payments to that date. Can you update me on the figure of what has been
recovered?

I end on an observation to which you might like to respond. There has been a lot of talk in
the media about success, but $124,000 extra recovered, if that is the amount, is not a great
amount as compared to the effort that might have gone into this. One might have expected,
given the comments that have been made in the media about fraud in this regard, that more
than that amount might have been recovered.

Mr SIDEBOTTOM (Braddon) (20:09): I assure the member for Menzies and the minister
that la grande rhetorique is not part of my purpose here, but I would say, Minister, that you
and the government are due congratulations. I congratulate the minister and the government
on their initiatives to help people who need assistance, particularly the long-term unemployed,
unemployed youth, homeless youth and young single parents who unfortunately lack skills,
training and employment.

I want to highlight the Place-Based Initiatives which were announced in the budget. The
municipality of Burnie in my electorate, which the minister is very familiar with through her
past work and current work, is one of the 10 areas that have been chosen under this initiative
and it will have access to a whole array of extra resources on top of those provided by Job
Services Australia, Centrelink and other agencies. In April I was fortunate enough to launch
the Local Connections to Work program in my electorate through the Burnie Centrelink. It is
an excellent initiative. It is really common sense in that it brings together all the agencies that
are working with individuals and organisations so that they can share information and provide
their services in the one place—a one-stop shop in a sense—to their clients, who opt to be
able to do this. That stops all the duplication and the record keeping that goes with it. I
congratulate the government on that initiative. I must also congratulate Burnie Centrelink,
which has really been working very hard to make this work along with the department,
Medicare, Housing Tasmania, job service providers, the University of Tasmania, schools and others. I was really hoping that the minister would be able to tell us a bit more about the program and why it is an important part of our government's broader workforce participation package that was announced in the budget. I do congratulate the minister and the agency and all those that are making these services much more readily available in such a common-sense way.

Mr NEUMANN (Blair) (20:12): Like the previous speaker I also want to commend the minister on the Local Connections to Work program. Ipswich was a pilot site for that program and it is doing a great job there. I am very pleased with the work of Jenny Wright, team leader at Centrelink in Ipswich. In fact, Jenny is in Parliament House—I saw her an hour or so ago—and I will be catching up with her tomorrow morning.

I wanted to take this opportunity to personally thank the minister for the assistance that my electorate received during the recent floods, particularly for the wonderful support from Centrelink. Those people in dark-green shirts with 'community recovery' emblazoned on their backs and with their iPads were greatly appreciated and did a great job. Since and before being elected to this place, I have always thought that mobile offices were particularly important. I did 190 mobile offices personally last term and I have done 76 already this term. I represent a regional and rural seat. I have got all the Somerset region, which is our country area, and most of Ipswich, 60 per cent of which is rural as well. I get around to all the country shows doing mobile offices once a month. I notice that Centrelink is taking up that task. I am not sure whether they are replicating my work! Indeed, Jenny Wright, the team leader for Local Connections to Work in Ipswich, and Kylie Stoneman, one of my electorate officers, who does a lot of community development work, have been going out to various places. I want to put on record that on 27 June they will be in Lowood, on 28 June in Laidley, on 29 June in Toogoolawah and on 30 June in Esk. Lowood, Toogoolawah and Esk are in my seat in Somerset, and Laidley is in the Lockyer Valley. They are all areas which were badly affected by the flood. The flood went straight through Esk. Laidley was cut off and a lot of the sites we saw on TV, where people were being evacuated by helicopter, were in Laidley and the surrounding area. Lowood had whole farming districts destroyed. In fact, 3,000 homes in Ipswich and 500 homes in Somerset were inundated. Whole farming areas, like Brightview, were completely destroyed. I know that Centrelink workers went out to those places at the request of the minister and, locally, at the request of Jenny Wright, to evacuation centres and recovery centres. They went to places like Fernvale, Toogoolawah, Lowood, Esk and Ipswich, and suburbs like Leichhardt-One Mile and Riverview—just getting out into the local communities.

I was very pleased to see in the budget that the government is investing $24.5 million of new funding to continue this important service for another four years, as well as providing more mobile offices in 2014. I am very interested in the role of Centrelink social workers, because, as a number of them said to me, a lot of people were stoic and resilient during the recent floods; but, if you sat down with them for a while and earned their trust and respect, they shared their travails and troubles, and the Centrelink workers were able to give them important emotional and psychological support. So I am pleased to see the budget includes new funding to support more Centrelink social workers over the coming years. I think that is absolute crucial, Minister, and I commend you for that. Those workers do very important
work. I think the assistance given by the mobile offices in terms of customer document information, payment and service options, and rural payment entitlements are particularly important, as is processing new claims in an expeditious way.

So, Minister, I would like to know more details about this budget measure—how it is going to be delivered in rural and regional areas, and why it is as a particular priority for you in the Human Services portfolio. I think this is a good initiative; it will help seniors, families, students, carers and self-employed people. But it does need to be publicised well, because in some of these areas people rely very much on the rural newspapers, so it is important that that information goes out in various different ways—through the rural press and not just on TV. For a lot of people, it is that rural weekly throwaway that is so important. It is not just their TV guide; it is their source of local information—and it should be the source of information about Centrelink mobile offices. I am happy to hear any information from you, Minister.

Ms SMYTH (La Trobe) (20:17): I am very pleased to be here this evening to pass on my observation to the minister that this budget continues the government's efforts to focus on improving service delivery, particularly in the area of case coordination for people who face very complex problems, have complex needs and face significant disadvantage.

I know that the Department of Human Services supports a great many very vulnerable people in our community, many of whom do face extremely significant impediments and disadvantage. I certainly know that constituents in my electorate of La Trobe regularly interact with Medicare, Centrelink and the Child Support Agency and that the employees of the department who work in those agencies do an extremely good job in extremely difficult circumstances at times.

This government, recognising the particular needs of individuals within the community, has already embarked on a series of service delivery reforms which co-locate services to make them more accessible, and I was very pleased to see that continued focus in this year's budget. From my own experience of working with, for instance, the Boronia Centrelink office, which services the needs of so many people in the northern end of my electorate, I know that Centrelink do an extremely good job in trying to assist people who have complex needs and face significant hurdles. It has been a priority of this government to make it much easier for Australians to access the government services they need, to simplify the interactions they have with government agencies and to really give them much better support and assistance when they need it the most. I know that my electorate has certainly benefited from the funding commitments this government has made which support families and pensioners, which have improved circumstances for the long-term employed and which support new parents. But in addition to those very practical measures we all stand to benefit from the better delivery of government services to those who face significant disadvantage. We know that some people in our society are doing well, but that a great many others are still facing significant barriers to other work, training or a range of other things. These are barriers which we know could be better overcome with some assistance and coordination.

Having a case manager available to assist a person with complex needs to get access to services will be invaluable. Arranging access to things like child care to help a parent access a job interview or arranging access to mental health services or assisting people to prepare for job interviews could quite literally have a life-changing impact for those individuals, their families and, ultimately, the community.
I certainly do commend the minister on her endeavours to emphasise those concerns in service delivery reform for better case coordination in the response in this budget. I suspect in particular that many of those measures will have a real and practical impact for many women, for those who are long-term unemployed and for older Australians, certainly in my electorate and right around the country.

With all of that in mind, I was extremely interested to see that as part of the service delivery reform measures in the budget that there is a $74.4 million measure to provide more intensive and tailored support for people in need through new case coordination services. I note that at this stage the program will be trialled at 44 locations over the next three years, including the 10 sites in which the government is making major new investments through its workforce participation agenda. I would ask whether the minister might be able to provide some more detail about how the case coordination program will work in practice. And could the minister also outline any plans for extending that program beyond the 44 sites in coming years?

The DEPUTY SPEAKER (Ms Vamvakinou): We are going to run out of time because a division is expected in the House, and I would like to give the minister an opportunity to respond. The member for Throsby has the floor.

Mr STEPHEN JONES (Throsby) (20:21): Madam Deputy Chair, are you asking me to be brief?

The DEPUTY SPEAKER (Ms Vamvakinou): In a roundabout sort of way!

Mr STEPHEN JONES: I am interested in the impact of budget proposals as they relate to one of the local government areas within my electorate of Throsby, the local government area of Shellharbour. It has a stubbornly high unemployment rate, generally at around two per cent above the state average. We have a significant group of young people; about 25 per cent of the population within the LGA is under the age of 35, and there is a significant group of young unemployed people—particularly young unemployed parents. I am very pleased that the budget goes to some initiatives which, hopefully, will improve the life opportunities of these people. I note from the budget papers that the minister's portfolio is going to be critical to the delivery of some of these services. Indeed, recently the minister came down to the local government area and engaged with community representatives, which was very well received.

I am keen to hear from the minister on the Community Innovation through Collaboration initiative, which was a part of the measures. Hopefully, the minister will be able to update us on the role of the Human Services portfolio in these new initiatives and how we can get beyond the one-size-fits-all model, which has been part of our service delivery in the past.

Ms PLIBERSEK (Sydney—Minister for Social Inclusion and Minister for Human Services) (20:23): Firstly, to the questions that were asked by the member for Menzies—and I thank him for those questions. The Medicare access points, for those people who do not know, basically provide a telephone booth where people can phone through their Medicare claims. They were begun by the previous government at a time when there were very few ways of claiming other than going and queuing up in a Medicare office. They were very useful at the time for that reason. But in the 2007 budget—the Howard government budget—there was a decision not to continue those access points beyond 30 June 2011. The idea at that
time in 2007 was that these new forms of Medicare claiming would become much more useful. And, indeed, they have.

Through the service delivery reform agenda of this government we will see a doubling of the face-to-face Medicare points over coming years as more Medicare counters open in Centrelink offices. And, of course, we now have much better swiping facilities at the doctor's, so you are able to claim Medicare much more easily there. Over 500 access points have already been removed at the request of the host because they were not used at all or were not wanted. Of the 666 that have been removed this year, all were used fewer than 20 times a month over the last two years; 15 were not used at all; 115 were used on an average of less than once a month over the last two years; and 512 were used fewer than 10 times a month over the last two years. For those access points that continue to have high usage, we are looking at ways that we can help customers to transition over time to more convenient ways of claiming their Medicare entitlements, and that is why I have asked my department to keep open 174 access points that are used, on average, more than 20 times a month. We will work very closely with affected communities.

I do not want to spend my whole time talking about this but I think it is very important to say that, in many cases, where these access points are being removed there are very practical and easy alternatives—for example, visiting Centrelink access points or Centrelink agents or using Centrelink facilities in the very same spot that these Medicare access points have been offered. They can be literally in the same community organisation, literally in the same shopfront, and there are a number of examples—too many to go through. This is technology that has fallen out of favour with people. It is the beta videotape equivalent. It has fallen out of favour because it is not as convenient as many other options that we offer people today.

I will turn now to other questions that people have raised. The member for Braddon talked about Local Connections to Work. I am very pleased that he mentioned Local Connections to Work. Frankston, Ipswich, Burnie, Morwell and Maroochydore will continue, and there will be five new sites a year between 2012-13 and 2014-15. There will be a total of 24 sites around Australia by 2015. The most important thing about Local Connections to Work is that it has been much more successful in getting job seekers, particularly highly disadvantaged job seekers, into work. The Local Connections to Work sites have a 50 per cent higher success rate than for the equivalent group of job seekers in sites where there is no Local Connections to Work.

The member for Blair talked about mobile offices and mobile vans, as well as the assistance that Centrelink gave during the floods. I am very happy to report that we will have a third mobile office in coming years. The two that exist at the moment have been re-funded. They have mostly been out in the rural areas but they were very handy during the floods, and a lot of people used that service then. The member for Blair also talked about Centrelink workers doing outreach work. Of course, we already have 90 community engagement officers, and in fact another 20 have been funded in this budget. These are people who go out to boarding houses and homeless services. They sit on river banks with people and make sure that they are getting their proper Centrelink entitlements.

The member for La Trobe talked about case coordination. Case coordination is a very important new approach that Centrelink is trialling in 44 locations over the next three years, including the 10 sites we are focusing on in this budget where there are highly disadvantaged
communities with large numbers of highly disadvantaged job seekers. The first 19 sites will be rolled out this year and the idea, as the name suggests, is to have Centrelink staff freed up to work intensely with highly disadvantaged job seekers and their families, because in a lot of cases there are intergenerational issues in a family. Those Centrelink workers will be linking those highly disadvantaged job seekers to all the supports that Centrelink can offer but also, more importantly, linking them to all of the community supports as well—to Alcoholics Anonymous, to financial counselling services, to gambling counselling services and to housing and homelessness services if job seekers are homeless. We believe that by overcoming some of those existing barriers, we will be able to much more effectively help highly disadvantaged job seekers move into the workplace.

The final comments came from the member for Throsby on the place-based initiatives that we have taken in this budget and young unemployed parents in particular. I was very pleased to visit Shellharbour with him. It is one of four locations so far that I have visited of the 10 that we will be focusing on with these place-based measures. I guess, in short, as time is short, it is important to say that we do expect more of people. You mentioned young parents in particular, the member for Throsby. We will expect them to come when their baby is six months old and engage with Centrelink and develop a plan to go back to school and to get back into the workforce. We are expecting more of them, but we are offering greater supports as well, because we do think it is important. Life does not finish at 19 just because you have got a baby. It is really vital to be able to provide for yourself and provide for your child and by supporting the parent back into school and study and the workforce we are also able to support children through Communities for Children—playgroups and preschools—to be school-ready as well so we do not see intergenerational cycles of poverty.

Mr ANDREWS (Menzies) (20:31): I appreciate the time constraints, as time has run out. Can I simply, through you Madam Deputy Speaker, ask that the minister take on notice the questions which I have put that she has not had the opportunity to answer tonight and to answer them in the normal course. If you could give an undertaking to do that, I would appreciate it.

Ms PLIBERSEK (Sydney—Minister for Social Inclusion and Minister for Human Services) (20:31): I will have a look, sure.

The DEPUTY SPEAKER (Ms Vamvakinou): The minister has agreed.

Mr ANDREWS (Menzies) (20:32): While we are waiting for another minister to turn up, I am quite happy for the minister to answer the rest of my questions now—especially in relation to the other two matters which I raised; namely, the Centrelink Disaster Fraud Task Force and Centrelink communications.

The DEPUTY SPEAKER (Ms Vamvakinou): Is the minister happy to keep going with questions?

Ms PLIBERSEK (Sydney—Minister for Social Inclusion and Minister for Human Services) (20:32): Yes, I am happy to. The shadow minister, the member for Menzies, asked about Hank Jongen in particular and the Centrelink communications business. Mr Jongen has been employed by Centrelink for many years, long before my time. He is sought after for media interviews in a talkback format where he answers questions on the radio about people's entitlements to pensions and family benefits and so on. I certainly have not instructed him on
how to undertake those regular media engagements that he has had for some time. I think he does a very good job in explaining the complex detail of entitlement to particular payments and so on. He, of course, is in regular contact with my office about media engagements that he has been asked to undertake, but not in a way where we are instructing him to pursue particular engagements.

The shadow minister also asked about the Disaster Relief Fraud Task Force. I think the first thing that is very important to say about the payments that occurred during the flooding is that the vast majority of people who applied for and received payment after the disasters that we experienced in January, particularly the Queensland floods, were people who very much needed help. They were in very difficult circumstances and they were applying for an amount of support from the government that would allow them to, as the member for Blair will tell you, buy clothes, buy a meal that night, perhaps if they were fortunate find a room in a hotel, replace medication and buy a phone and a SIM card so they could let people know they were okay. It was very important for the government to be able to help with those expenses. I am very proud of the job that Centrelink did in turning those payments over very quickly, with the vast majority of people receiving financial support within 24 hours or 48 hours, with hundreds of thousands of calls handled not just by Centrelink but also by the other Human Services agencies. We had people from Medicare and from the Child Support Agency answering phones. We even had people from the tax office and other Commonwealth departments pitching in to answer phones and to process claims.

There were some people who claimed incorrectly, and that was established on subsequent checks. Our bias when people were ringing up in the first instance was to accept the information that they gave us. If they were already on our Centrelink database we were able to verify identity, bank account details and so on. But in some cases people received money that they were not entitled to. The shadow minister, the member for Menzies, asked how much money has been recovered so far. Almost half a million dollars has been recovered to date, with around three per cent being voluntarily repaid. Almost 97 per cent are being repaid through withholding from regular payments. If people are otherwise entitled to a pension, family tax benefit and so on, a proportion of that money is being withheld over time, so for that reason the amount under recovery is growing all the time.

Mr STEPHEN JONES (Throsby) (20:37): I thank the minister for her answer to my previous question. When I have been out in my electorate since the Treasurer's speech talking about this budget, I have described it as a Labor budget—

Mr McCormack: It certainly was!

Mr STEPHEN JONES: because it is a budget that goes to the issue of jobs and has identified the importance of jobs. The member for Riverina might not appreciate this issue, but this budget identifies the issues of jobs and skills for the future. What has been in the front of my mind is that, as Australia takes off for mining boom mark 2 and as the centre of global gravity for the next wave of economic development shifts south, Australia is certainly in the pilot seat for a take-off for our next economic boom.

Mr McCormack interjecting—

Mr STEPHEN JONES: Perhaps if the member for Riverina sat quietly and listened for long enough, he might understand where I was getting to. There are many regions of Australia
that will not enjoy the fruits of this boom unless there is positive government intervention. My questions are: what is the thinking behind those 10 regions that have been identified as a part of our place based initiatives; why and how have they been identified; and what is the government going to do to ensure that the people in those regions are not going to be left behind as we move into the next phase of our economic growth?

Ms PLIBERSEK (Sydney—Minister for Social Inclusion and Minister for Human Services) (20:39): I will be very brief because I know the next minister has arrived and is wanting to talk about his portfolio. We chose 10 regions that had, for example, a high proportion of highly disadvantaged job seekers, a high youth unemployment rate and a high number of people on disability support benefits or other benefits. We wanted a balance of city and regional areas. We will look at this very intensive new approach as perhaps being appropriate for rolling out more broadly in the future. We wanted to have a balance of different types of communities so that we could be sure that the approach that we are taking works both in cities, rural, regional and suburban areas. As I say, the focus was on not only communities with a high number of disadvantaged job seekers but also communities where there is already a really strong culture of pulling together, where there are strong non-government organisations, where there is a strong culture of the community actually taking responsibility and working with employers, looking for opportunities and where there is an opportunity to build on the strengths of those communities. We wanted statistics that related to not only unemployment but also communities where there was a lot of existing social capital.

Proposed expenditure agreed to.

Sustainability, Environment, Water, Population and Communities Portfolio
Proposed expenditure, $2,170,915,000

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (20:41): I thank the Committee for its patience. I have a great opening statement but, given that I have tried the time already, I may skip that and provide an opportunity for questions.

Mr HUNT (Flinders) (20:41): In the spirit of brevity, I will list a series of four questions relating to the administration of the minister's department. Those that he can answer now would assist the House and those that could be responded to in more detail, perhaps in writing on notice, would also constitute an acceptable outcome. The first is in relation to the Home Insulation Program, which was formerly a responsibility of the minister's department. Have any members and officers of the minister's department, either now or previously, been subject to any disciplinary action in regard to the failure of the Home Insulation Program? Given that previously the government has talked about possible action against officers, I would be grateful to know whether any officer, past or present, of the department of the environment, as it then was, has in anyway been counselled, disciplined or removed from office as a consequence of the tragic failures of that program?

The second area of administration relates to the protection of marine wildlife. Will the minister commit to a national inquiry on the systematic slaughter of dugongs, turtles and dolphins, in the absence of the Queensland government doing so? This in particular relates to the tragic slaughter of turtles and dugongs for commercial purposes in violation of Australian
and state laws in much of far North Queensland. In particular, has the dugong task force, a joint federal and state body, been re-formed and, if so, who is on the committee and what are their qualifications? And, if so, how many meetings has the re-formed task force had? Would the minister consider the inclusion of dugong and turtle protection campaigners Colin Riddell and Bob Irwin on such a committee either now or in the future?

The third area of administration relates to the protection of the koala. This is a very simple question: will the minister consider a regional listing process for the koala under the EPBC Act and, in particular, is there a possibility of establishing a regional threatened species status for the koala within South-East Queensland?

The final questions relate to heritage. Has the minister relegated the Heritage Division to the status of a branch? Has the minister failed to renew the Distinctively Australian program? Does the failure to renew the program threaten the ability of the government to fulfil its heritage obligations under EPBC Act? If not, why not?

The DEPUTY SPEAKER (Ms Vamvakinou): Is the minister happy for the member for Gippsland to also ask questions before he responds to the member for Flinders?

Mr Burke: Always.

Mr CHESTER (Gippsland) (20:45): Thank you, Minister. My question is, similarly, quite brief. Minister, in 2007 the government allocated $3 million over three years to improve land management practices to reduce the nutrient levels of water flowing into the Gippsland Lakes. Naturally, that is directed at the threat of algal blooms, which have been quite a blight on the lakes over the past 20 or 30 years. That money was managed by the West Gippsland CMA in consultation with the Gippsland Lakes task force. To the best of my knowledge, there is no commitment for the continuation of funding in this current budget cycle. I am interested to know whether the minister can provide an update on the success and/or failure of the program and whether there is any intention to provide additional funding in the future for these types of practical environmental initiatives and for monitoring the Gippsland Lakes and river catchments?

From my experience, providing seed funding for landholders and farmers and then leveraging off that money and providing the capital works has been very successful in the Macalister irrigation district and has proven to be a good model. I am interested in knowing what the government's response to that is. Also, given that the new Victorian state government has allocated $10 million in its term for the Gippsland Lakes projects, I think there is a real opportunity for the Commonwealth to work in partnership with the state government and leverage off that funding.

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (20:46): Minister, as you would be well aware, there has been a great deal of concern in relation to the coal seam methane gas extraction in my electorate and, obviously, other parts of Australia. Minister, are you aware that the British government has recently suspended hydraulic fracting of deep shale formations in the underground? This followed officials from the geological survey installing measuring equipment near a drill site that measured a magnitude 2.3 earthquake. That occurred on 1 April and, further, on 27 May another earthquake was recorded. Those are small earthquakes, but the suggestion is that there is a link between hydraulic fracturing and those minor earthquakes. As a result of that, the British Department of Energy and Climate

MAIN COMMITTEE
Change firstly suspended the practice of fracking and is now investigating the possible link between fracking and the earthquakes. I wonder whether you or your department are aware of that?

Also, Minister, I do not know whether you are aware that the French lower house recently passed a bill which would prohibit the fracking of the underground for coal seam methane gas or gas extraction, including oil as well, I think. Minister, as a result of the information that is coming out of Europe and the United Kingdom, the French lower house, not the upper house—it would require both houses—wants to impose a ban on fracking and the withdrawal of all permits that may have been issued for this procedure to continue. It has to go through the upper house and their decision is yet to be decided, obviously.

Minister, would you be prepared to suspend fracking in Australia until the investigation in the United Kingdom has been completed? Would you and the department undertake any more research into the process of fracking within Australia or would you consider requiring the installation of measuring equipment near drill sites where fracking is occurring? I know those are a whole lot of questions about 'Did you know?' or 'Are you aware?' but they have suspended operations in the United Kingdom; the French government in the lower house—if they get the support of the upper house—want to ban fracking; and the British geological survey officials installed measuring equipment and that is how they identified the mini-earthquakes. There are quite a lot of other questions, but those are the most important at the moment. Thank you, Minister.

Mr McCormack (Riverina) (20:49): Minister, the government has announced another water buyback tender, despite a recommendation in the recent House of Representatives Standing Committee on Regional Australia report that non-strategic buybacks cease immediately. When will Labor heed the advice of the report rather than persisting with haphazard buybacks which continue to have a negative impact on regional communities? The standing committee worked long and hard to produce a comprehensive report which supports farmers and irrigation communities as well as the environment. The report contains the detailed findings of the 12-person multiparty committee's investigations into the economic and social impact of the guide to the Murray-Darling Basin Plan. It has the potential, if carried through, to achieve a much-vaunted triple bottom line in any future Basin Plan. However, despite the committee's recommending that the Commonwealth immediately cease all non-strategic water purchases in the Murray-Darling Basin, Minister, just last week you opened a new round of buyback tenders. Please do not try to convince me that this is a strategic buyback, because I do not believe it is. I appreciate this latest round is apparently from South Australia and Victoria. Perhaps you could confirm this. You might also validate whether this is because the New South Wales cap has been reached until 1 July.

The minister has stated that reform cannot and will not happen without buyback. There are many people in my Riverina electorate who are disappointed, frustrated and angry with this latest buyback. One is Griffith Business Chamber's water spokesman, Paul Pierotti, whom I understand your department has spoken to. He said the new round was a further example of you, Minister, saying one thing and doing another. He said the changes made to the program whereby the government implemented smaller but more frequent tenders did nothing to address the core concern of water being taken from productive use without compensation to communities. The fact they have done this shows that they do not have they do not have
regard for affected communities,’ he said. I would also like to add that this shows scant 
regard, I believe, for the hard work done by the member for New England, whose support is 
crucial to this government staying in office. ‘It is fine,’ Mr Pierotti continued, ‘to come out 
and say you support the committee’s findings, but where is the action?’ Indeed, Minister, 
where is the action?

If a parliamentary committee with more Labor members than coalition members, headed 
by a key Independent whose support for the government keeps it in power, can make 
recommendations which are then blatantly ignored the very next week then what does it say?
I sincerely hope it is not a slap in the face to the member for New England and a committee 
which has worked so hard for eight months to get a bipartisan agreement which recognises a 
triple-bottom-line approach, with the possibility of a win-win situation for regional economies 
and the environment.

Committee members as well as community members, farmers as well as environmentalists, 
have all recognised that a healthy Basin Plan can be delivered without destroying 
communities and industries, yet once again, Minister, Labor has made a decision which 
 creates more concern for the regions, without so much as a thought for the people, jobs and 
long-term sustainability of those regions.

Minister, what do you say to the truism that the biggest building company in Griffith has 
not had one job, not built one single house, since the Murray-Darling Basin Authority 
released its ill-conceived, ill-researched guide to a draft to a plan on 8 October last year? 
Housing prices in Griffith have dropped 30 per cent and business is down by half due to 
continued uncertainty. The regional Australia committee's 253-page report, Of drought and 
flooding rains, was a much-needed fillip for irrigation regions, districts where farming 
families grow the food to feed our nation, our people. But, Minister, will you follow the 21 
recommendations or just nod when the member for New England tables in parliament the 
result of his and other committee members' hard work and pay it mere lip-service?

The coalition when last in government set aside $5.8 billion in the Water Act for water 
savings infrastructure. Up until now, only $68 million of this, as I understand it, has been 
spent on initiatives which have actually delivered water—21 gigalitres—into the basin, 
whereas federal Labor has spent $1.5 billion on water buybacks.

A division having been called in the House of Representatives—

Proceedings suspended from 20:54 to 21:34

Mr McCormack: Before the pause in the debate I was making the pertinent point that 
until now Labor has splurged $1.5 billion on water buybacks yet, of the $5.8 billion for water 
savings infrastructure, less than $70 million has been invested. Minister, is this acceptable 
from a government that purports to have a real focus on the needs of regional Australia? In 
the recent budget the government's planned spending is $195.8 million on Commonwealth 
Environmental Water Holder management of water holdings—that is, licence fees on water 
entitlements—and $8.5 million for water for future communication—that is, the Basin Plan 
television advertisements. All of this money is coming out of a fund that is meant to invest in 
water-saving infrastructure in the basin. Why is this so, Minister?

Mr Burke (Watson—Minister for Sustainability, Environment, Water, Population and 
Communities) (21:34): If I can go through the questions in order, first of all the shadow
minister referred to the Home Insulation Program and disciplinary action, past or present. In response to that I inform the House that, while the Home Insulation Program and the entire governance of that were contained in what back then was called the Department of the Environment, Water, Heritage and the Arts, that is not the department that I now administer. Those sections of the department some time ago were transferred to the Department of Climate Change and Energy Efficiency. Since that time the arts section has also left my department, a number of housing functions have come in and the sustainable population unit was transferred from Treasury to my department. So, while the question may be pertinent, it is not one where there is any direct carriage within this portfolio, and that one should appropriately be directed to Minister Combet.

In terms of marine wildlife, I remain deeply concerned about the protection of all listed species, and I think it is fair to say that for dugongs, sea turtles and dolphins there is a particular attachment that all Australians feel; they are deeply concerned. We need to be mindful of what the actual challenges to those populations are. The claims made by the people referred to by the shadow minister in his question are not claims that I necessarily agree with. I do not accept that the principal thing that you need to do in order to protect these species is to change the exemption of the Native Title Act. This is not an argument that was made by the shadow minister—I want to make that clear; I do not want to be seen to be verballing him—but he named a couple of people in his question, and they do run an argument that one of the principal problems for dugong populations in particular and for sea turtles is that the environmental legislation does not apply in instances of harvesting for the purposes of native title. That is not an exemption the government seeks to change. I think it is a fair argument from traditional owners that, of all the different groups in the community that might be responsible for the numbers of a species starting to deplete, it is not them.

There is a separate argument about culling where it has been done by people who are not in fact the traditional owners of the particular area and an argument that there is a rogue element which is involved in culling not for local or traditional use but, in fact, for trade. This is something which the state minister and I have been working on. I have a firm view that the way to deal with this is through finding mechanisms that work with Indigenous leadership. I have spoken to different groups. Everyone who knows Cape York knows there are very different groups across Cape York, and I have spoken separately with each of them. I think that, if we want to find a solution to the rogue element which does exist in that part of our country with respect to dugongs and sea turtles in particular, we have to acknowledge that it will never be able to be fully patrolled. The only way to be able to fix what is a problem—it is not the principal cause of problems for these populations, but it is real—is to have mechanisms that allow for Aboriginal leadership to come forward and play a direct role.

The state minister and I are working on that. We are very close to having a resolution, but part of having a resolution of this nature work and work properly is to make sure that it is not yet another case of governments telling traditional owners that this is how it must be, because if you do that then, in the same instance, you very likely take away the opportunity for leadership that may actually be able to break some of the elements which are currently causing concern. Traditional owners will themselves talk about the concern that is there with the rogue element. They would like to be part of the solution, and I have to say I think the options that are put forward by the people named by the shadow minister would completely
crush the opportunity for Aboriginal leadership to form a big part of the solution on that issue.

(Extension of time granted)

The shadow minister also asked with respect to the issue of the koala: ‘Will there be consideration of a regional listing process?’ Yes, and that is something that I have already sought some advice from my department on. It is something which obviously I would want to take advice on from the Threatened Species Scientific Committee. It can be the case that regional listing can be done and with respect to the koala that is something that I am open to. I have made a decision and have said previously publicly that there is a parliamentary inquiry in place on this issue and I wanted to be able to work through its recommendations before I dealt with that further.

The government’s commitment to heritage remains. The staffing changes referred to by the shadow minister are in the context of two expiring programs. One of them, importantly, was attached to the stimulus program, and I think it would be reasonable for people to accept that, as part of the stimulus program, once it is exhausted it would not get renewed nor is it prudent to have public servants attached to a program which no longer exists. So, yes, when programs expire that does mean you end up with fewer people in a particular section of the department. I think in those circumstance it is an appropriate way to deal with expiring programs. There is new heritage money in the budget through the Community Heritage Program, and the government does reserve the right to deal with these issues in different ways through different programs. That makes no difference to our capacity to deal with approvals under the Environment Protection and Biodiversity Conservation Act. That capacity remains.

The member for Gippsland then asked about a 2007 election promise—$3 million which dealt with water flowing into Gippsland Lakes. I know the promise well. I was responsible for implementing it after we came to office. When the Gippsland Lakes commitment was made, there was no such program as Caring for our Country. We now have Caring for our Country. The Gippsland Lakes program in its initial form was an election promise in advance of Caring for our Country coming into existence and further funds for programs of that type continue to find eligibility through Caring for our Country when the rounds for that program take place.

The member for Maranoa then asked about the Surat Basin—and I do acknowledge that from the moment I took on the Environment portfolio there has been engagement from the member for Maranoa, who does have strong views which in large part reflect many of the farmers in the area that he represents with concerns about what coal-seam gas would mean for their properties and for their water supply. My obligations are very strictly aligned to matters of national environmental significance under the EPBC Act. With that in mind, there are some issues which sometimes people would want me to take into account which do not fall into consideration of the act. The specific international examples that were quoted by the member I know something about. There were some elements of detail that he raised tonight which went beyond some of the information that I had, and I thank him for providing that information to the House.

The principal issue which did fall as a matter of national environmental significance was the impact that coal-seam gas operations could have on the Great Artesian Basin. Effectively there are two different views of the science here and they go to whether the coal seams are watertight or whether they are porous. It is probable that there are some coal seams which represent one and some represent the other—probably both theories in different examples are...
The fear is that, if they are porous, when water is removed following the fracking process you will get the water from the rest of the Great Artesian Basin essentially seeping backwards and refilling the coal seams. If they are watertight, that is not a risk. The conditions that I put in place when I provided the approvals which affect the electorate demanded that individual testing happen seam by seam. If they are watertight then the problems for the Great Artesian Basin do not come about. If they are in fact porous then in those situations, whether it be re-pressurisation or whether it be reinjection, the company has an obligation to work in either way. The questioner then went on to ask: how does ongoing research play a role here? One of the conditions that I put in place for that region was the ongoing oversight of a scientific committee. With any environmental conditions that are put in place it is generally important to have—but I think that with coal seam gas, when we are dealing with a new technology, it is really important to be able to have—an adaptive management process. I think you need to have a situation where, as new information comes to light, the rules can work with that. So if something that we had thought might have been a problem turns out to have been too precautionary then a company will have a valid argument to say they want to see something revisited. If something is subsequently seen as having been not precautionary enough then you want to get on to it early, and have a science based process that allows something to be revisited. I think the role of the scientific committee meets the ongoing research requests that were made by the member for Maranoa.

The member for Riverina, in providing both speech and high points of rhetoric for this room, in a good and passionate contribution referred to the recommendation of the Windsor inquiry calling for an immediate cessation of non-strategic buyback. The member for Riverina then drew attention to the fact that there were some tenders which then went ahead on the Monday following the release of that report. I want to make clear that those tenders had already been advertised before the Windsor inquiry came out with its recommendation in good faith, and I think it is a tribute to the privilege of parliamentary process. I did not know that recommendation was coming until I sat in the parliament and heard the member for New England let me know that that was a unanimous recommendation from the committee. When a tender is advertised, people begin to organise around that tender coming forward. They organise their finances and they change their behaviour, because they know the tender is coming forward. I believe it would have caused real uncertainty, and would simply have been the wrong thing to do, to view the tenders that were formally opened on the Monday as being anything other than already in train, given that the ads not only had been already placed but also had run publicly in many places throughout the basin. There was a strong view from the irrigation sector that there had been a long-term expectation—and some of these had been advertised a long time in advance. Ads had been placed, they had started to run, and we decided that it was too late to stop those particular tenders.

The rolling tenders, following these two, reached a conclusion of everything that had been announced. Future decisions on how we proceed with buyback will be made after the draft report has been released. I suspect we are not too far away. I still suspect we have quite a few weeks to go. But there will be a little bit of time before that happens.

Finally, we heard from the member for Riverina on the issue of infrastructure money versus buyback money. Make no mistake: buyback is an essential part of water reform. It is. There is a call from the committee to do it in as strategic a way as possible, and we are
following the draft report. We will be able to announce our pathway of doing that. On infrastructure money, as the member for Riverina knows, there is work now being done with the states to try to make sure we can find a constructive way of getting the money that has been earmarked for infrastructure spent on infrastructure.

Proposed expenditure agreed to.

Infrastructure and Transport Portfolio

Proposed expenditure, $704,974,000

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (21:49): I will speak briefly to the budget proposals. This year's infrastructure budget is about setting Australia up to compete and prosper in the 21st century. It is a forward-looking budget. It delivers the next critical stages of work to duplicate the Pacific Highway, with an additional $1 billion in extra investment, subject to some matched funding for a proportion of that with $750 million from the incoming New South Wales government. It funds reforms to make Australia a modern, seamless economy, including moving from 23 national regulators down to three, with an estimated benefit for the productive side of the economy of some $30 billion over 20 years. It delivers the national urban policy. It extends the smart infrastructure agenda that the National Broadband Network will enable. It continues nation building, particularly in regional Australia, providing funding of $395 million for our first Regional Infrastructure Fund projects and $300 million for early works on the inland rail, with $30 million coming online in 2013-14. It reinstates Bruce Highway projects now that flood reconstruction is underway.

In total, Labor's investment in regional infrastructure is some $22 billion. The budget also reforms Infrastructure Australia and provides a 40 per cent increase in its funding. It improves the operation of the infrastructure market. It delivers critical private financing reforms to attract up to $25 billion of superannuation and private investment into public infrastructure and it provides certainty for aviation infrastructure and services for remote Australia.

In total, the 2011 budget provides some $950 million in new and accelerated investment for the Nation Building Program on top of the $395 million for Regional Infrastructure Fund projects. This is a budget that is fiscally responsible. We are able to invest for the future because Labor acted decisively during the global recession. As the world shed 30 million jobs, 740,000 more Australians went to work. This is a budget of which I am particularly proud. It was a fiscally responsible budget, but we were still able to pursue the government's nation-building agenda, including indeed bringing forward funding, for example, for the Moreton Bay rail link of some $100 million—a major benefit indeed.

So this is a good budget for the government. We have had a comprehensive approach. The budget builds on the work that has been done by Infrastructure Australia. I note that the incoming New South Wales government has paid a very high compliment to this government's agenda by creating Infrastructure New South Wales, not quite on the model we have—ours is much more independent and at arm's length from government—but, nonetheless, if imitation is the greatest form of flattery then it is a recognition of the work this government has been doing.

In addition, Infrastructure Australia will establish a new infrastructure financing group, chaired by Jim Murphy of the Commonwealth Treasury. The deputy chair will be Ross Rolfe,
and the group will include other senior private sector members. I spoke earlier today at the CEO forum, made up of the CEOs of all the major international companies present in Australia, and this government's agenda has been extremely well received. I commend the appropriations to the chamber.

**Mr TRUSS** (Wide Bay—Leader of The Nationals) (21:53): There is a large number of issues I would like to raise, but obviously time is short, so let me go to them quickly. Firstly, in the 2007 election campaign one of the major issues in construction was the Ipswich motorway. The coalition had promised a major second route, which would undoubtedly have been the best result, but the government chose a cheaper option with the promise that it would be delivered faster. The Cooroy to Curra stretch of the Bruce Highway has been described repeatedly as the worst section of the Bruce Highway in Queensland. Indeed, it was recently identified again, on 1 June 2011, when the RACQ said:

Not surprisingly, the Cooroy to Gin Gin stretch has once again cemented its spot as the state's worst stretch of the highway.

There is currently a project underway on that Cooroy to Curra stretch. However, in spite of the minister's repeated acknowledgement that this was the worst accident stretch in the highway, incredibly, at page 272 of Budget Paper No. 2, the government announces it is actually going to take $325.4 million from the Cooroy to Curra project and from the upgrade to the Ipswich Motorway. My question is: how much will be taken from the Ipswich Motorway and how much of that amount is coming from the Cooroy to Curra road?

I would like to turn to a couple of aviation issues. At the Senate estimates for the previous budget, the government said that it would be developing a new en route navigation rebate scheme for regional aviation. At this year's Senate estimates, it acknowledged what was apparent from the budget, that the support for regional aviation services was to be abolished entirely. In spite of the commitments made as part of the white paper process, this support is to be eliminated entirely from the following financial year. All that is to be left is support for aerial ambulance services et cetera.

Rex Aviation have recently released a list of seven routes which they may have to terminate as a result of the loss of the financial support through the en route navigation rebate scheme. I ask the minister: what support does he propose to provide to enable services to continue to places like Taree, Grafton, Moruya, Bathurst, Griffith, King Island and Merimbula, if Rex, the only operator, withdraws those services?

I would also like to refer briefly to the new security-screening measures for regional airports and raise an issue that I raised with the minister during this debate at the last budget and on which I have, to this day, never received a satisfactory response. The proposed new security measures will impose jet style security on many propeller driven aircraft, particularly Q400s. I referred him to the airports at Barcaldine and Blackall, which have only 50 to 100 passengers a week, and pointed out that the cost of these new security measures would add around $1,000 a ticket to the price of travelling to those communities. I ask the minister: what arrangements are being put in place to enable the Q400 services to commence to Barcaldine and Blackall and what cost will be imposed upon the users of those services?

The next issue I would like to raise is on behalf of the member for Hinkler, who would like to have made a contribution tonight but was prevented from being here this week. Bundaberg airport has recently spent $40 million upgrading its airport services to receive large jets. From
1 June, CASA has decided that the minimum runway widths are to be increased from 30 metres to 45 metres. This airport has not yet received its first jet services and yet it will now have to spend between $7 million and $10 million to widen that runway. Hervey Bay Airport, which does have regular jet services, will have to spend about $6 million to widen the runway. Will the government provide any financial support to these regional councils to fund the widening of their runways so that they are able to receive jet services? Or is a different rule to be applied to airports in northern New South Wales than is to be applied to the rest of Australia?

Mr NEUMANN (Blair) (21:58): This provides me with an opportunity to ask a question about the Ipswich Motorway. I note the shadow minister for roads actually raised the issue of Ipswich Motorway after 11½ years of doing nothing on the Dinmore to Goodna section of the Ipswich Motorway. Just before the 2007 election, those opposite came up with this expensive, ridiculous notion of a 10-kilometre alternative, the Dinmore to Goodna section, which linked back into the Logan Motorway. They allocated no funding for it. With respect to the Ipswich Motorway, there were 11½ years of inertia, inactivity and ignorance by those opposite. In fact, the previous speaker, the member for Wide Bay, was on the record in parliament, in October 2009, when the minister actually put it to him, saying he would stop construction on the Dinmore to Goodna section of the Ipswich Motorway, putting at risk 10,000 jobs across the whole project. That is the ignorance of those opposite on the Ipswich Motorway. I want to commend the minister for allocating $155 million in this budget for the Dinmore to Goodna section of the Ipswich Motorway, and I ask him to comment on the federal Labor government's proposal with respect to the Ipswich Motorway and also on community reaction to that. How does that compare with those opposite when they were in power?

The other thing I want to commend the minister for and ask questions in relation to is the Blacksoil Interchange. For 11½ years those opposite did nothing on the Blacksoil Interchange. That is an important intersection between the Warrego Highway and the Brisbane Valley Highway. There was absolutely nothing. There are the councils—the Toowoomba Regional Council, the Lockyer Valley Regional Council, the Somerset Regional Council and the Brisbane City Council. In fact, the shadow Premier in Queensland, Campbell Newman, is on the record advocating for the Blacksoil Interchange to be upgraded with a flyover. Those opposite did nothing for 11½ years with respect to the Blacksoil Interchange, but in the last election campaign the minister stood there with me and the state Labor member for Ipswich West, Wayne Wendt, at the Blacksoil Interchange and made a commitment that we would allocate $54 million and the state government $16 million for this $70 million project. I want to thank the minister for the commitment in this budget—the $54 million—and I want to ask him about the community reaction in relation to that and how that compares with those opposite with respect to this. My LNP opponent in the last campaign campaigned about this but made not one commitment. In fact, not one shadow minister came to my electorate during the whole of the last campaign, and there were no road funding commitments made by those opposite.

The shadow minister makes a comment about the Ipswich Motorway and the Blacksoil Interchange. The Blacksoil Interchange is the most important project west of the Ipswich CBD in terms of road funding. Those opposite have simply allocated no money. In fact, they voted and campaigned against, and consistently did everything they could to frustrate, the
Ipswich Motorway upgrade from Dinmore to Goodna. With respect to the Blacksoil Interchange, did we hear one peep from those opposite during the whole campaign? In fact, I would like the shadow minister to know that my LNP opponent is on the record in the *Queensland Times* newspaper, contrary to coalition policy, saying he supported the Ipswich Motorway upgrade. Well, my predecessor campaigned against it, the shadow minister campaigned against it and you campaigned against it. That was your approach. Those opposite would put thousands and thousands of jobs at risk.

Minister, please comment with respect to the Ipswich Motorway upgrade on what we are doing about it and community reaction and with respect to the Blacksoil Interchange upgrade on what we are doing and community reaction. How does it compare with those opposite?

**Mr ALBANESE** (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (22:03): In terms of the issues that are raised, to begin with the Blacksoil Interchange, the member would be pleased to know that today I signed off on the Commonwealth government contribution to the Blacksoil Interchange. Consider this a press announcement. It is a very important project, and I did indeed stand there with him during the election campaign. It is indeed a very dangerous piece of road.

With regard to the issues raised by the shadow minister, I must express some surprise at his choice of issues which he raises. He actually raises the Ipswich Motorway, where we have contributed well in excess of $2½ billion over a seven-year period, whereas they just talked about it and nothing actually happened. As the member stated, the Goodna bypass option and all sorts of other options were put around, but they did not actually do anything about it. I am very proud of the fact that I not only went to sections of the Ipswich Motorway and turned the first sod but also opened them. During that period, there were literally thousands of workers inducted onto the site at a time when it was needed—a vital project which this government is proud of delivering.

Quite rightly, the member for Wide Bay quoted members talking about how bad the Cooroy to Curra section of the Bruce Highway is. Indeed, I will quote the local member himself, who said:

"I'm always pleased when I turn off …

"You never feel completely safe on that road."

He also said, as he has again tonight, that it was rated as the worst piece of highway in Australia. Well, he was the Minister for Transport and Regional Services, it was in his electorate, and nothing happened. It is extraordinary that that statement would be put forward. Work is underway, as he would well know, on the Cooroy to Curra section, but it took a Labor government to deliver it.

He talks about the budget papers. The fact is that, in terms of both these projects, because we are a government that introduced in our 2010 budget a system of milestone payments according to actual delivery and construction, we are getting efficiencies through the budget. Gone are the days when, on about 14 June, the minister would get the department in and say, 'How can we shove money out the door, because our only key performance indicator is the fact that money has been transferred from the Commonwealth to state governments?' We are actually delivering efficiencies, better value for taxpayers, and we make no apologies for this.
Is it the idea of the shadow minister that we should have paid extra money to the contractors even though we have delivered the projects for under what we budgeted for? This is a bizarre logic. We have used that money to reinstate five flood-proofing projects on the Bruce Highway, because we anticipated that there would be capital shortages and labour shortages as a result of the flood and cyclone in Queensland. We always had the intention. We deferred it but kept the planning going, and we said that if we could we would bring them back on line according to the original schedule. That is exactly what we have done on these projects—something I am very proud of.

The shadow minister also raises a number of other questions. With regard to the runway width issue, that is simply not correct. I am advised that CASA is introducing changes to runway widths over time but is working with industry regarding implementation and time frames. I would certainly be happy to work with the member for Hinkler or anyone else on these issues.

With regard to the issue of Rex airlines, quite frankly I would commend the comments that have been made publicly by the shadow minister's colleague the member for Calare, Mr Cobb, in the Western Advocate just last week, in an article titled 'Rex claims a flight of fancy, says Cobb'. When talking about the threats to airlines, he said:

"So there is no justification for this action. There is no excuse to shut Bathurst down."

He said:

"For Rex to say that it is all down to the loss of the federal rebate scheme, I don’t think is right, because they already got rid of the Cobar and Bourke runs very early on [when it was only touted that the scheme would go]. And if they are worried about capacity then look at bringing back the 19-seater.

"All it is is talk. They … really have no issues here."

Frankly, that is absolutely the right thing to do. Indeed, it is extraordinary that the shadow minister again tonight has sought to blame the government, when in fact he said in the Daily Examiner on 17 May:

The subsidy only amounts to a few dollars a ticket. Airlines will not keep going just because there is a subsidy.

He said:

If people don't use it, it won't survive even with government subsidies …

Quite frankly, in terms of the subsidies these are the facts. You people should be standing up against Rex, not playing political games. The fact is that this is the maximum per claim one-way subsidy for a Sydney-Bathurst return: $11 per plane. The subsidy between Sydney and Moruya is a maximum of $20.25 per plane. The subsidy between Sydney and Taree is a maximum of $22.90. That compares with the price from Sydney to Taree of $129 per person.

The subsidy between Griffith and Melbourne is a maximum of $37.92 per plane. And compare this: the cheapest one-way ticket per person between Melbourne and Griffith on Rex is $344 per person.

If you look at the capex of the airlines in Australia, last year there was no more profitable airline in Australia. And if you go to Singapore you can meet with Rex and have a discussion with them about their contribution to the regional airline market. But Rex shut down the Cobar and Bourke routes in 2008 and used the subsidy and the withdrawal in 2012 as the excuse for shutting down the route four years before the subsidy was due to end. Get real!
There is a sucker born every minute, but you do have a responsibility to your electorates to stand up for them and not to stand up for the commercial interests of any sectional interest.

Rex has not sought a discussion with me over any of these issues. And the shadow minister tells a blatant lie when he says–

**Mr Truss:** Withdraw!

**Mr ALBANESE:** that I won't meet with them. I will meet with airlines–

**Mr Truss:** Madam Acting Deputy Speaker, on a point of order: I ask that the minister withdraw. The word 'liar' is totally unparliamentary.

**Mr ALBANESE:** I said, 'That is a lie.' That statement is a lie. I will meet with airlines. I meet with them regularly, but the fact is that if you look at their own statements–

**Mr Truss:** It has always been withdrawn!

**The DEPUTY SPEAKER (Mrs D'Ath):** Minister, for the benefit of the House I ask you to withdraw.

**Mr ALBANESE:** I withdraw, and say that the shadow minister has told a blatant untruth.

**Mr Truss:** Unconditionally!

**Mr ALBANESE:** It stands: a blatant untruth. I do meet with airlines regularly and have not knocked back any meeting with airlines. The fact is that Mr Cobb has shown that he actually is a bit more fair dinkum than you are; I commend his actions and say that you should be less opportunistic if you want to be taken at all seriously as a regional representative.

**Mr ALEXANDER (Bennelong) (22:13):** My question is with regard to the promise by Prime Minister Gillard and Minister Albanese to provide $2.1 billion in funding towards the completion of the Chatswood to Parramatta rail link project.

Due to an infrastructure malaise in Sydney over the past 16 years, both the Epping to Parramatta and North West rail links are overdue and absolutely essential projects for the people of Bennelong. These projects are essential for Macquarie Park and Parramatta business districts to reach their full potential in growth, not to mention the current efficiency and productivity losses due to the extraordinary traffic congestion that blights our region.

I am on the record as calling for the immediate construction of both projects. I raise this issue due to concerns that have developed over the omission of Epping to Parramatta anywhere in the recently released budget papers. In last year's MYEFO papers, eight infrastructure projects were specifically listed for federal funding under the Nation Building Program at a total cost of $3.57 billion. Seven of these projects were specifically listed by name in this year's budget papers, with dedicated funding amounts attached. However, the largest of these infrastructure commitments, the Epping to Parramatta rail link, which comprises over 58 per cent of the Nation Building Program 2 funding, was not listed anywhere in this year's budget papers or even in the department's own portfolio budget statement. Can the minister please explain why he found it necessary to specifically list a recommitment to the other of the seven Nation Building Program 2 projects but the Epping to Parramatta link fails to rate a mention. At a time when, unfortunately, many Australians have lost trust in their government due to broken promises, could the minister please confirm the government's commitment to this project and, more importantly, the schedule to commence and complete the works? As the federal government was willing to take the lead role in
seeking the electoral benefits of headlines saying, 'We will build Epping to Parramatta', is it not about time that the federal government, as the provider of 80 per cent of the funds for this project, takes the lead in fulfilling their promise, regaining the trust of the people and building this rail link?

It must be noted that the new New South Wales government took a policy to build the North West link in recent state elections and, whilst they have requested federal assistance, they have pledged to commence construction as soon as possible, regardless of the federal government's response. Their commitment is not dependent on re-election, on a future surplus or on other governments making political decisions. It is a commitment based on a policy promise to the people. Will this government accept the same moral obligation of a promise and list how much will be spent in the first year of this project which falls within the forward estimates period and the schedule of construction for the Epping to Parramatta rail link?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (22:16): I thank the member for Bennelong for his contribution. But now I am not sure if he is for the Parramatta to Epping rail link or against it. I know that he put out a leaflet on the day that we announced the Parramatta to Epping rail link which said that he supported it and called for it.

I note that the opposition failed to commit a single cent to this project and I note that the opposition failed to commit a single cent to any infrastructure project in Sydney whatsoever—not one. I note also that over 12 years the Howard government committed $350 million in total towards Sydney infrastructure—including the M7, which was only Commonwealth funding. Not a single cent went into any rail project and no dollars at all went into other projects.

We have committed and stood by our commitments to $2.08 billion for the Parramatta to Epping rail link, $110 million for the F5 duplication, $840 million for the northern Sydney freight line, $150 million for the upgrade of the rail infrastructure at Port Botany and $300 million to develop the intermodal terminal at Moorebank. On top of that, we have $30 million for the planning work for the M4 East, available to the state government if they wish to use that funding. In terms of the budget papers, it is very clear that, as committed, there is $600 million allocated in 2014-15, the first year of our commitment on the Parramatta to Epping rail link. Our funding is available. We simply await the state government to confirm that they want this project to proceed.

This is extraordinary. The honourable member comes into this parliament and says he wants this project, while his political party is running a campaign of opposition to this project. I suggest that his questions be directed to the New South Wales branch of the Liberal Party, because we have allocated the money as we said we would. This is a government that fulfils all of its commitments with regard to infrastructure projects. Across the board, every single one of our election commitments is in the budget. It is not my fault if the member for Bennelong cannot read a budget paper. It is there in 2014-15: $600 million as agreed in terms of the memorandum of understanding that we had with the New South Wales government.

The fact is that this project was well received. The member opposite said:
The construction of the Epping-Parramatta Rail Link is set to proceed, which is welcome news for the people of Bennelong.
The Liberal member for Mitchell has also supported the project, as have the state Liberal member for Granville and a number of other figures including, of course, the Lord Mayor of Parramatta. The member for Bennelong was present at a speech I gave at Parramatta on 8 March this year about developing Parramatta as Sydney's second CBD. I believe this is an absolutely vital project. It will finally provide the missing link between Parramatta and Chatswood and will help reduce the journey time between the two points by about 25 minutes. It will also have the bonus of improving capacity on the western line, therefore providing benefits for those people who live to the west of the existing Parramatta line.

We are now investing in urban passenger rail in every mainland capital city. We believe this is vital. What the honourable member has to answer is the question: do the Liberal Party support this project? Do they support it? You cannot say one thing as a local member and get away with it over three years, because your party is dead against this vital infrastructure project. With regard to our commitment, you are right: we should keep our commitments. The state governments should also keep theirs. Therefore, I commend the appropriation to the House. (Time expired)

Proposed expenditure agreed to.
Debate adjourned.

Main Committee adjourned at 22:23.
**QUESTIONS IN WRITING**

Official Development Assistance

(Question No. 102)

Mr Melham asked the Minister for Foreign Affairs, in writing, on 22 November 2010:

Further to the answer to question in writing, will he provide an update on the answer in respect of annual Official Development Assistance eligible expenditure by other government departments.

Mr Rudd: The answer to the honourable member's question is as follows:

Details of Official Development Assistance (ODA) eligible expenditure by Other Government Departments from 2008-09 and 2009-10 financial years are presented in Table 1. This table updates the information provided to you in response to your question of 16 June 2008.

**Table 1 - ODA eligible expenditure by Other Government Departments 2007-08 to 2009-10**

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<tr>
<th>Department/Agency</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Centre for International Agricultural Research</td>
<td>51,749,238</td>
<td>52,413,928</td>
<td>63,062,276</td>
</tr>
<tr>
<td>Agriculture, Fisheries and Forestry</td>
<td>8,977,076</td>
<td>7,190,685</td>
<td>8,388,336</td>
</tr>
<tr>
<td>Attorney-General's</td>
<td>171,213,541</td>
<td>140,032,660</td>
<td>219,347,725</td>
</tr>
<tr>
<td>of which Australian Federal Police</td>
<td>164,732,203</td>
<td>132,826,087</td>
<td>212,872,661</td>
</tr>
<tr>
<td>Australian Bureau of Statistics</td>
<td>75,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadband, Communications and the Digital Economy (Includes Communications, Information Technology and the Arts)</td>
<td>1,718,023</td>
<td>1,095,149</td>
<td>1,402,489</td>
</tr>
<tr>
<td>Climate Change and Energy Efficiency</td>
<td>1,536,755</td>
<td>2,388,947</td>
<td>2,008,161</td>
</tr>
<tr>
<td>Defence</td>
<td>93,341,389</td>
<td>90,520,693</td>
<td>46,426,688</td>
</tr>
<tr>
<td>Education, Employment and Workplace Relations (Includes Education Science and Training)</td>
<td>14,947,171</td>
<td>18,744,798</td>
<td>20,477,991</td>
</tr>
<tr>
<td>Families, Housing, Community Services &amp; Indigenous Affairs</td>
<td>15,324</td>
<td>6,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Finance and Deregulation (Includes Finance and Administration)</td>
<td>2,931,913</td>
<td>3,213,036</td>
<td>1,037,467</td>
</tr>
<tr>
<td>Foreign Affairs and Trade</td>
<td>32,820,590</td>
<td>329,480,486</td>
<td>29,771,975</td>
</tr>
<tr>
<td>Health and Ageing</td>
<td>10,811,824</td>
<td>11,164,585</td>
<td>34,622,968</td>
</tr>
<tr>
<td>Immigration and Citizenship</td>
<td>48,138,205</td>
<td>35,799,711</td>
<td>45,425,430</td>
</tr>
<tr>
<td>Infrastructure, Transport, Regional Development and Local Government (Includes Transport and Regional Services)</td>
<td>6,701,807</td>
<td>10,599,092</td>
<td>8,699,486</td>
</tr>
<tr>
<td>Innovation, Industry, Science and Research</td>
<td>6,091,474</td>
<td>3,887,263</td>
<td>5,332,034</td>
</tr>
<tr>
<td>Reserve Bank of Australia</td>
<td>21,500</td>
<td>14,550</td>
<td>10,763</td>
</tr>
<tr>
<td>Resources, Energy and Tourism (Includes Industry Tourism and Resources)</td>
<td>557,397</td>
<td>146,872</td>
<td>42,341</td>
</tr>
<tr>
<td>Treasury</td>
<td>3,004,099</td>
<td>2,886,613</td>
<td>30,472,604</td>
</tr>
<tr>
<td>Total</td>
<td>458,250,323</td>
<td>715,991,178</td>
<td>521,980,873</td>
</tr>
</tbody>
</table>
Source: AusAID Statistical Database

*includes Debt relief to Iraq

**Preliminary results from most recent OGDs Survey

Home Insulation Program and Green Loans Program
(Question No. 181)

Mr Fletcher asked the Minister for Climate Change and Energy Efficiency, in writing, on 9 February 2011:

In respect of the Home Insulation and Green Loans programs, has an analysis and/or modelling been undertaken by or on behalf of the Government to examine the extent to which these programs (a) would reduce, or (b) have reduced, Australia’s carbon dioxide/greenhouse gas emissions; if so, when and by whom, and will he provide a summary of the findings.

Mr Combet: The answer to the honourable member's question is as follows:

Analysis and modelling has been undertaken to determine the impact of the Home Insulation Program on Australia’s greenhouse gas emissions as part of the 2010 emissions projections. The results of the modelling were released in the report Australia’s Emissions Projections on 9 February 2011. This modelling was undertaken by SKM-MMA and ACIL Tasman. The modelling and analysis estimated that the program will reduce emissions by 2.4 megatonnes of carbon dioxide equivalent (Mt CO2-e) in 2010-11, coinciding with the first full year of benefits to the 1.2 million homes insulated, and will result in cumulative emissions reductions of more than 14 Mt CO2-e in the period to 2020.

Modelling and analysis of the impact of the Green Loans program on greenhouse gas emissions has not yet been undertaken, pending the completion of an evaluation of the program’s outcomes.

Australian Standard Geographical Classification
(Question No. 216)

Mr Baldwin asked the Minister for Health and Ageing, in writing, on 1 March 2011:

(1) In respect of the Australian Standard Geographical Classification (ASGC)—Remoteness Areas (RA), will there be a limit by (a) number, (b) dollar value, or (c) share of available funding, to Medicare rebates available for online consultations for patients living in: (i) non-capital city RA1, (ii) capital city RA1, (iii) RA2, (iv) RA3, (v) RA4, and (vi) RA5.

(2) In respect of the ASGC—RA, will there be a limit by (a) number, (b) dollar value, or (c) share of available funding, to the $35 million telehealth training initiative for health professionals in: (i) non-capital city RA1, (ii) capital city RA1, (iii) RA2, (iv) RA3, (v) RA4, and (vi) RA5.

Ms Roxon: The answer to the honourable member's question is as follows:

(1) No. Rebates will be available for patients in inner Metropolitan areas and rural and regional areas.

(2) No.

Telehealth Training Initiative
(Question No. 217)

Mr Baldwin asked the Minister for Health and Ageing, in writing, on 1 March 2011:

What number of projects have been funded by the Government’s $35 million telehealth training initiative which commenced in January 2011?

Ms Roxon: The answer to the honourable member's question is as follows:

The funding available to support training and supervision for health professionals using online technologies is $32.1 million.
Negotiations to fund projects are underway with a number of organisations to best target the type of training needed to support and encourage the uptake of online health service provision. In seeking the views of the health professions involved, including consumers, the Department has consulted with the organisations represented by the Telehealth Advisory Group to provide advice and feedback that will enable the Department to meet the training needs of this initiative. At the current time, negotiations are ongoing.

**Ministers: Staff, Capital Works and Acquisitions**
*(Question Nos 249, 262, 265, 277 and 278)*

Mr Briggs asked the Minister for School Education, Early Childhood and Youth and Minister representing the Minister Tertiary Education, Skills, Jobs and Workplace Relations, in writing, on 3 March 2011:

(1) How many personal staff are employed by the Minister.

(2) What is the (a) total cost, and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

Mr Garrett: The answer to the honourable member's question is as follows:

(1) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 22 February 2011, the Department tabled with the Senate Finance and Public Administration Committee a list of Government Personal Staff Positions as at 1 February 2011.

(2) The cost of capital works and acquisitions for ministers' offices is shared by the Department of Parliamentary Services (DPS), Department of Finance and Deregulation (DoFD) and home departments in line with Appendix 2 of *Supporting Ministers, Upholding the Values*. The Special Minister of State will accordingly respond on behalf of all ministers in respect of costs incurred by the DPS and DoFD. I am advised that the costs incurred by Department of Education, Employment and Workplace Relations and Department of Families, Housing, Community Services and Indigenous Affairs are as follows:

<table>
<thead>
<tr>
<th>Minister</th>
<th>Acquisitions</th>
<th>Capital Works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for School Education, Early Childhood and Youth, the Hon Peter Garrett</td>
<td>$57,782.59</td>
<td>Nil</td>
</tr>
<tr>
<td>Minister for Employment Participation and Childcare, the Hon Kate Ellis</td>
<td>$46,210.75</td>
<td>Nil</td>
</tr>
<tr>
<td>Minister for Indigenous Employment and Economic Development, the Hon Mark Arbib</td>
<td>$58,751.52</td>
<td>Nil</td>
</tr>
<tr>
<td>Minister representing the Minister for Jobs and Workplace Relations, the Hon Chris Evans</td>
<td>$82,892.03</td>
<td>Nil</td>
</tr>
<tr>
<td>Minister representing the Minister for Tertiary Education and Skills, the Hon Jacinta Collins</td>
<td>$41,265.70</td>
<td>Nil</td>
</tr>
</tbody>
</table>

1 Acquisitions include desktop PC's, printers, shredders and teleconferencing equipment.

**Ministers: Staff, Capital Works and Acquisitions**
*(Question Nos 251, 259, 260 and 261)*

Mr Briggs asked the Attorney-General, the Minister for Privacy and Freedom of Information, the Minister for Home Affairs and the Minister for Justice, in writing, on 3rd March 2011:

(1) How many personal staff are employed by the Minister.
(2) What is the (a) total cost, and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

Mr McClelland: The answer to the honourable member's question is as follows:

(1) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 22 February 2011, DoFD tabled with the Senate Finance and Public Administration Committee a list of Government Personal Staff Positions as at 1 February 2011.

(2) The cost of capital works and acquisitions for ministers’ offices is shared by the Department of Parliamentary Services (DPS), Department of Finance and Deregulation (DoFD) and home departments in line with Appendix 2 of Supporting Ministers, Upholding the Values. The Special Minister of State will accordingly respond on behalf of all ministers in respect of costs incurred by the DPS and DoFD.

I am advised that the costs incurred by the Attorney-General’s Department are approximately as follows:

<table>
<thead>
<tr>
<th>ATTORNEY’S OFFICE</th>
<th>2007/08</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT equipment</td>
<td>$16,816</td>
<td>$469</td>
<td>$2,539</td>
<td>$9,425</td>
<td>$29,249</td>
</tr>
<tr>
<td>Office equipment/supplies</td>
<td>$2,275</td>
<td>$750</td>
<td>$1,599</td>
<td>$4,564</td>
<td>$9,188</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$19,091</td>
<td>$1,219</td>
<td>$4,138</td>
<td>$13,989</td>
<td>$38,437</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MINISTER’S OFFICE</th>
<th>2007/08</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT equipment</td>
<td>$14,765</td>
<td>$1,797</td>
<td>$0</td>
<td>$14,605</td>
<td>$31,167</td>
</tr>
<tr>
<td>Office equipment/supplies</td>
<td>$749</td>
<td>$3,371</td>
<td>$1,620</td>
<td>$1,678</td>
<td>$7,418</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$15,514</td>
<td>$5,168</td>
<td>$1,620</td>
<td>$16,283</td>
<td>$38,585</td>
</tr>
</tbody>
</table>

Ministers: Staff, Capital Works and Acquisitions
(Question No. 256)

Mr Briggs asked the Minister for Climate Change and Energy Efficiency, in writing, on 3 March 2011:

(1) How many personal staff are employed by the Minister.

(2) What is the (a) total cost, and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

Mr Combet: The answer to the honourable member's question is as follows:

(1) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation (DoFD). On 22 February 2011, DoFD tabled with the Senate Finance and Public Administration Committee a list of Government Personal Staff Positions as at 1 February 2011.

(2) The cost of capital works and acquisitions for ministers' offices is shared by the Department of Parliamentary Services (DPS), DoFD and home departments in line with Appendix 2 of Supporting Ministers, Upholding the Values. The Special Minister of State will accordingly respond on behalf of all ministers in respect of costs incurred by the DPS and DoFD.
I am advised that the costs incurred by the Department of Climate Change and Energy Efficiency are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment hire</td>
<td>$114.00</td>
</tr>
<tr>
<td>Plant hire and artworks</td>
<td>$426.85</td>
</tr>
<tr>
<td>Minor furniture and fittings</td>
<td>$1,053.72</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,594.57</strong></td>
</tr>
</tbody>
</table>

Note that I was appointed the Minister for Climate Change and Energy Efficiency on 11 September 2010. As such, no data is provided for the period prior to this date.

**Foreign Aid Budget**  
(Question No. 280)

Mr Laurie Ferguson asked the Minister for Foreign Affairs, in writing, on 21 March 2011:

In the calendar years 2009, 2010 and 2011 (to date), within our Foreign Aid Budget, how many tertiary scholarships were awarded to (a) Indonesian citizens, (b) Indonesian public servants, and (c) people residing in Java.

Mr Rudd: The answer to the honourable member's question is as follows:

Within the foreign aid budget, the Australian Government offers long-term and short-term awards, administered under the Australia Awards.

Long-term Australia Awards are tertiary scholarships for study towards undergraduate and postgraduate qualifications. In the calendar years 2009, 2010 and 2011, Indonesian citizens were awarded a combined total of 1,041 long-term Australia Awards, including 688 public servants and 617 residents of Java.

Short-term Australia Awards include fellowships and professional development programs at a range of organisations, including tertiary institutions. Short-term awards do not necessarily result in a formal qualification. In the calendar years 2009, 2010 and 2011, Indonesian citizens were awarded a combined total of 362 short-term Australia Awards for placement at tertiary institutions. This includes 210 public servants and 207 residents of Java.

The majority of Australia Awards awarded to Indonesia are administered by the Australian Agency for International Development, with the remainder administered by the Department of Education, Employment and Workplace Relations.

The yearly breakdowns of the long and short-term Australia Awards are shown below:

### Long-term Australia Awards awarded to Indonesia

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011 to date</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Indonesian Citizens</td>
<td>336</td>
<td>341</td>
<td>364</td>
<td>1041</td>
</tr>
<tr>
<td>b) Indonesian Public Servants</td>
<td>226</td>
<td>219</td>
<td>243</td>
<td>688</td>
</tr>
<tr>
<td>c) People Residing in Java</td>
<td>189</td>
<td>211</td>
<td>217</td>
<td>617</td>
</tr>
</tbody>
</table>

### Short-term Australia Awards awarded to Indonesia (tertiary placements)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011 to date</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Indonesian Citizens</td>
<td>123</td>
<td>118</td>
<td>121</td>
<td>362</td>
</tr>
<tr>
<td>b) Indonesian Public Servants</td>
<td>50</td>
<td>56</td>
<td>104</td>
<td>210</td>
</tr>
<tr>
<td>c) People Residing in Java</td>
<td>85</td>
<td>71</td>
<td>51</td>
<td>207</td>
</tr>
</tbody>
</table>
Zentai, Mr Charles  
(Question No. 281)  
Ms Julie Bishop asked the Minister for Justice, in writing, on 21 March 2011:

(1) When he decided on 12 November 2009 to approve the extradition of Australian citizen Mr Charles Zentai to the Republic of Hungary, was he aware of the following information that had been provided to his department and office, that the: (a) Commonwealth Director of Public Prosecutions (CDPP) had advised the Australian Federal police (AFP) that there was no evidence to support a charge against Mr Zentai of a war crime (or any other crime); (b) CDPP and the AFP had decided not to prosecute Mr Zentai for the alleged war crime, although if there had been sufficient evidence to support a charge, it would have been open to the Australian authorities to charge Mr Zentai and have him tried in Australia, rather than extradite him; and (c) Republic of Hungary only wanted Mr Zentai to be extradited for questioning, as no charge has been laid against him.

(2) If so, did he consider this information before approving Mr Zentai’s extradition to Hungary, and what were his reasons for making the determination.

(3) If not, was he made aware of this information after the Hon. Justice Neil McKerracher set aside, in December 2010, the Minister’s determination to extradite Mr Zentai to Hungary, and why did the Minister then authorise an appeal against Justice McKerracher’s decision?

Mr Brendan O’Connor: The answer to the honourable member’s question is as follows:

(1) As set out in the judgment of His Honour Justice McKerracher in Zentai v Honourable Brendan O’Connor (No 3) [2010] FCA 691, prior to making a surrender determination in respect of Mr Zentai, the Minister was provided with a submission (annexing relevant documentation) prepared by the Attorney-General’s Department. The submission discussed advice provided by the Commonwealth Director of Public Prosecutions to the Australian Federal Police on evidentiary issues relating to the allegations against Mr Zentai and also discussed the basis on which the Republic of Hungary sought Mr Zentai’s extradition. As the issues raised by the honourable member are the subject of proceedings currently before the Full Court of the Federal Court, it is not appropriate to comment further.

(2) The submission prepared by the Attorney-General’s Department referred to in response to Question (1) above was before the Minister at the time he determined that Mr Zentai was to be surrendered to Hungary to face prosecution for a war crime. In view of the issues raised in litigation presently before the Full Court of the Federal Court in this matter, it is not appropriate to comment further.

(3) The decision of Mr Justice McKerracher of 2 July 2010 raises significant and complex issues for the administration of Australia’s extradition scheme. It is appropriate that an appeal be pursued.

Zentai, Mr Charles  
(Question No. 282)  
Ms Julie Bishop asked the Minister for Justice, in writing, on 21 March 2011:

(1) Has he ever suggested to the Hungarian authorities that they conduct their questioning of Mr Charles Zentai in Australia; if so, what was their response; if not, why not, particularly given (a) the age and health of Mr Zentai, (b) fact that the Hungarian authorities have said they only want Mr Zentai for questioning; and (c) Mr Zentai has stated that he is prepared to co-operate with investigators and answer questions under oath.

Mr Brendan O’Connor: The answer to the honourable member’s question is as follows:

(1) The Republic of Hungary made a formal request under the Treaty on Extradition between Australia and the Republic of Hungary for the extradition of Mr Zentai to face prosecution for a war crime. Australia has an obligation to consider that request in accordance with the Treaty and the Extradition Act 1988.
Zentai, Mr Charles
(Question No. 283)

Ms Julie Bishop asked the Minister for Justice, in writing, on 21 March 2011:
(1) What total cost has the Government incurred to date (including departmental personal time and cost) in seeking to extradite Mr Charles Zentai to the Republic of Hungary, and what total estimated cost will be incurred in appealing the decision of the Hon. Justice Neil McKerracher.

Mr Brendan O’Connor: The answer to the honourable member's question is as follows:
(1) As at 20 April 2011, the approximate amount of costs billed to the Commonwealth relating to litigation in the matter of Mr Zentai’s extradition is $505,400 (including GST and disbursement). This figure includes costs of approximately $247,000 incurred in earlier proceedings instituted by Mr Zentai challenging various aspects of the extradition process, including the constitutionality of the Extradition Act 1988. Mr Zentai was unsuccessful in those proceedings. The Australia Central Authority for extradition in the Attorney-General’s Department does not maintain records of the time particular officers spend on particular matters.

As at 20 April 2011, the approximate amount of costs billed to the Commonwealth in the appeal proceedings is $105,400.

Passenger Movement Charge
(Question No. 284)

Mr Baldwin asked the Minister for Home Affairs, in writing, on 21 March 2011:
In respect of the Passenger Movement Charge:
(a) what total sum of money is forecast to be collected in (i) 2010-11, (ii) 2011-12, (iii) 2012-13, and (iv) 2013-14;
(b) what proportion of money collected is returned to consolidated revenue, and
(c) of the proportion of money collected that is not returned to consolidated revenue, on what programs will it be expended in (i) 2010-11, (ii) 2011-12, (iii) 2012-13, and (iv) 2013-14, and for each program, what sum of money will be expended each year.

Mr Brendan O’Connor: The answer to the honourable member's question is as follows:
(a) What total sum of money is forecast to be collected in
   (i) 2010-11, (ii) 2011-12, (iii) 2012-13, and (iv) 2013-14

The total sum of money forecast to be collected for each year, as detailed in the 2011-12 Portfolio Budget Statements, is as follows:
   (i) 2010-11 is $630.6m
   (ii) 2011-12 is $670.6m
   (iii) 2012-13 is $712.3m
   (iv) 2013-14 is $755.7m

(b) What proportion of money collected is returned to consolidated revenue.

All Passenger Movement Charge revenue is returned to consolidated revenue.

(c) Of the proportion of money collected that is not returned to consolidated revenue, on what programs will it be expended in (i) 2010-11, (ii) 2011-12, (iii) 2012-13, and (iv) 2013-14, and for each program, what sum of money will be expended each year.

See answer to (b).
Dr Jensen asked the Minister for Climate Change and Energy Efficiency, in writing, on 21 March 2011:

Using the first Intergovernmental Panel on Climate Change scenario (A1F1—business as usual), with the exception of Australia being the only country to act on emissions (resulting in a 50 per cent reduction in CO2 by 2050 which is sustained to 2100), (a) how much lower are global average temperatures estimated to be by 2100 than if Australia had not acted, and (b) what is this abatement expected to cost Australia annually.

Mr Combet: The answer to the honourable member's question is as follows:

The Department of Climate Change and Energy Efficiency advises that:

- No modelling simulation has been done that would provide answers to the honourable member’s questions.
- Almost without exception, the major emitting countries of the world are beginning to take measures to reduce their emissions from business as usual, so the question refers to a hypothetical scenario that will never happen. Modelling has therefore not been undertaken to establish the impact of such a scenario on global temperatures or its cost to Australia.
- Some 89 countries, that together account for more than 80 per cent of global emissions and more than 90 per cent of the global economy, have pledged to reduce or limit their emissions by 2020 under the United Nations Framework Convention on Climate Change.
- Key economies already have substantial policies in place restraining emissions or emissions growth. Emissions trading schemes (ETS) already operate in 31 European countries and New Zealand, and in 10 United States (US) states. California will commence their ETS in January 2012.
- The US is committed to achieving its target to reduce its emissions by 17 per cent by 2020 (on 2005 levels). As part of this effort, from January 2011, the US is regulating large stationary sources of greenhouse gas emissions to incentivise the uptake of advanced technology and reduce emissions.
- China’s Five-Year Plan for 2011-2015 includes targets to reduce its energy and carbon intensity including through introduction of emissions trading in several major provinces and cities. China is leading the world in the production and installation of a range of renewable and green technologies. In 2009, China added 37 gigawatts of renewable power capacity, more than any other country in the world.
- In India, a tax on coal took effect last July. Expected revenue of over half a billion dollars annually will be used to fund research into clean energy technologies.
- Emission reductions by Australia, or any other single country, would have only a limited impact on the expected average global temperature: only collective action by a majority of the world’s major emitting countries can have a significant impact on this.

Dr Jensen asked the Minister for Climate Change and Energy Efficiency, in writing, on 21 March 2011:

Assuming that (a) the entire globe takes action on reducing CO2 emissions and as a result such emissions are halved by 2050, and (b) this level of emissions is sustained beyond 2050: (i) how many degrees lower is the expected global average temperature expected to be than if Australia alone had not acted; and (ii) what is this abatement expected to cost Australia annually.
Mr Combet: The answer to the honourable member's question is as follows:

The Department of Climate Change and Energy Efficiency advises that:

- This is an extremely unlikely scenario because if the rest of the world had halved its greenhouse gas emissions while Australia had not made commensurate reductions in its greenhouse gas emissions, it is very likely that the rest of the world would also have taken economic or other action to persuade Australia to contribute its fair share to the global effort.

- However, in the unlikely event that Australia's emissions did grow by 2 per cent a year until 2050 while the rest of the world reduced their emissions to half what they were in 2011, in 2050 Australia's emissions would be a little over 1 gigatonne of carbon dioxide equivalent compared to the global total of about 25 gigatonnes. Under this scenario, in 2050 Australia's annual emissions would be about 5 per cent of total global emissions, a significantly larger proportion than they are now. Emission reductions by any single country have only a limited impact on the expected average global temperature. This applies to Australia as much as to any other country. Only collective action by a majority of the world's major emitting countries can have a significant impact on the expected average global temperature. Almost without exception, the major emitting countries of the world are taking measures to reduce their emissions from business as usual.

- The Government's modelling of domestic action to reduce emissions (published by Treasury in 2008) indicated that reducing Australia's national carbon emissions to 60 per cent below 2000 is consistent with gross national product (GNP) per capita being roughly 1.5 times larger in 2050 than in 2008. The modelling indicated that making emissions reductions of this magnitude would reduce average growth in GNP per capita by only 0.1 per cent per annum – from 1.2 per cent per annum down to 1.1 per cent per annum.

If, as posited by the honourable member, Australia alone did not act to reduce emissions it would be possible that other countries would adopt policies that would impact adversely on Australia's economy. The cost of this to a small, open economy like Australia could be considerable.

Computers in Schools
(Question No. 319)

Mr Randall asked the Minister for School Education, Early Childhood and Youth, in writing, on 24 March 2011:

Since the inception of the Digital Education Revolution program, by electorate, how many (a) students are, or have been, eligible to receive a Commonwealth-funded computer, and (b) of the students in part (a) have received their computer as at 23 March 2011.

Mr Garrett: The answer to the honourable member's question is as follows:

(a) The Department of Education, Employment and Workplace Relations used information collected through a Preliminary Survey conducted in early 2008 to establish that approximately 780,000 computers would be required to achieve a one to one student to computer ratio in Years 9 to 12. Since the Preliminary Survey, there has been some movement in the number of computers required as a result of:

- schools seeking to join the Fund that had not responded to the survey;
- schools with Years 9 to 12 that were not offered at the time of the survey;
- new schools being established; and
- conversion of funding for computers to flexible funding to better accommodate the needs of students with disabilities.
The total number of computers now required is 786,848. This figure has not been broken down by electorate.

(b) The list below outlines the total number of computers installed by electorate as at 31 March 2011.

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<th>Federal Electorate</th>
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QUESTIONS IN WRITING
Tuesday, 14 June 2011

HOUSE OF REPRESENTATIVES

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**Broadband**

(Question No. 322)

**Mr Fletcher** asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 23 March 2011:

Will the Minister rule out the rollout of the National Broadband Network by overhead cable in the electorate of Bradfield; if not, (a) in which locations is it proposed that overhead cables will be rolled out in Bradfield, and (b) will the Minister arrange for the Chief Executive Officer (CEO) of NBN Co., or an executive who reports directly to the CEO, to attend a community meeting in Bradfield to explain to its constituents the details of the proposed network rollout, and to receive any community feedback on this; if not, why not.

**Mr Albanese**:

The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

(1) The location of overhead and underground cabling will be determined by NBN Co Limited (NBN Co) on an area-by-area basis. Factors that will influence whether overhead or underground cabling will be used include availability of existing infrastructure and the completion of Definitive Agreements between NBN Co and with Telstra which will provide NBN Co with access to Telstra's underground pits.

(2) NBN Co's Corporate Plan indicates that 75 per cent of the network will be deployed underground. NBN Co has attended community meetings in first release sites to discuss details of the proposed network rollout and receive community feedback. NBN Co will contact residents and property owners in Bradfield when the NBN rollout commences in that area.

**Personally Controlled Electronic Health Records**

(Question No. 326)

**Dr Southcott** asked the Minister for Health and Ageing, in writing, on 24 March 2011:

In respect of the introduction of a personally controlled electronic health record,

(a) what sum of funding has been allocated for the introduction of a personally controlled electronic health record, and in which years, and

(b) what measurable outcomes will be achieved with this funding, and

(c) what key performance indicators, benchmarks and deadlines are being monitored in this expenditure.
Ms Roxon: The answer to the honourable member's question is as follows:

(a)  

<table>
<thead>
<tr>
<th></th>
<th>2010-11 ($m)</th>
<th>2011-12 ($m)</th>
<th>TOTAL ($m)</th>
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<td>Budget</td>
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<td>$281.2</td>
<td>$466.7</td>
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(b) The investment over two years will fund the core national infrastructure, standards and tools to provide all Australians with the ability to choose to register for a secure PCEHR from July 2012.

(c) A summary of key milestones and timeframes are listed in the publication A National Health and Hospital Network for Australia's Future: Delivering the Reforms in the table below:

<table>
<thead>
<tr>
<th>Key Milestones</th>
<th>Timeframe</th>
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<tr>
<td>PCEHR interim governance framework agreed and implemented</td>
<td>July 2010 to September 2010</td>
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<tr>
<td>PCEHR long term governance framework agreed and implemented</td>
<td>April to June 2012</td>
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<tr>
<td>Stakeholder consultation (ongoing from commencement):</td>
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<tr>
<td>national eHealth conference</td>
<td>30 November to 1 December 2010</td>
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<tr>
<td>state and territory governments</td>
<td>July to September 2010</td>
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<tr>
<td>healthcare providers and software vendors</td>
<td>October to December 2010</td>
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<td>public consultation</td>
<td>July 2011 to June 2012</td>
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<tr>
<td>Change Management:</td>
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<tr>
<td>Work practice analysis and implement training and awareness activities</td>
<td>October 2010 to March 2011</td>
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<tr>
<td>Monitor and evaluate training and awareness activities</td>
<td>July to September 2011</td>
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<tr>
<td>Revise and implement ongoing awareness and take up strategies</td>
<td>July to September 2011</td>
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<tr>
<td>based on lessons learned</td>
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<tr>
<td>Lead Implementation Sites</td>
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<td>Lead sites selected, contracted and operational</td>
<td>July 2010 to March 2011</td>
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<td>Initial evaluation</td>
<td>April to June 2011</td>
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<td>April to June 2012</td>
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<td>PCEHR analysis, IT architecture and requirements developed</td>
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<tr>
<td>PCEHR IT standards developed</td>
<td>Ongoing from April to June 2011</td>
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<td>National infrastructure established</td>
<td>January to March 2012</td>
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<td>Legislative amendment</td>
<td>April to June 2012</td>
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<td>PCEHR available for registration on-line</td>
<td>July 2012</td>
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Foreign Affairs and Trade: Briefings  
(Question No. 347)

Ms Julie Bishop asked the Minister for Foreign Affairs, in writing, on 24 March 2011:

Has his department and/or AusAID provided any briefings to members of the Australian Greens party and/or Independent Members of Parliament; if so, how many and on what dates.

Mr Rudd: The answer to the honourable member's question is as follows:

The department does not centrally maintain records of briefings provided to individual Members of Parliament. The department regularly provides assistance, including briefings, to Members of Parliament who travel overseas. To provide the information sought would entail a significant diversion of resources and I do not consider the additional work can be justified.
Barker Electorate: Keith District Hospital
(Question No. 352)

Mr Secker asked the Minister for Health and Ageing, in writing, on 10 May 2011:
Does the Keith District Hospital receive support under the Multi-purpose Services program; if so, what sum; if not, why not?

Ms Roxon: The answer to the honourable member's question is as follows:
The Keith District Hospital is not a Multi-Purpose Service. As such, it does not receive Australian Government funding for this purpose.

Innovation and Communications Technology and Business Productivity:
Statements Made By Former Prime Minister
(Question No. 394)

Mr Fletcher asked the Prime Minister, in writing, on 26 May 2011:
Further to her answer to question in writing No. 199 (House Hansard, 10 May 2011, page 59), are there records within her department or office that provide the basis for which the then Prime Minister made the claims in his press statement on 7 April 2009; if so, can she indicate what those records show.

Ms Gillard: I am advised that the answer to the honourable member's question is as follows:
My department and office have been unable to locate any records relating to the basis for the figures in the former Prime Minister’s press statement made on 7 April 2009.