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SITTING DAYS—2016

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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

House of Representatives Office Holders
Speaker—Hon. Anthony David Hawthorn Smith
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell MP
Members of the Speaker's Panel—Mr Russell Evan Broadbent MP,
Ms Anna Elizabeth Burke MP, Ms Sharon Catherine Claydon MP,
Hon. John Kenneth Cobb MP, Mr Patrick Martin Conroy MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Ms Sarah Moya Henderson MP, Mr Stephen James Irons MP,
Mr Craig Kelly MP, Ms Michelle Leanne Landry MP, Ms Clare Ellen O'Neil MP,
Mrs Jane Prentice MP, Ms Melissa Lee Price MP,
Dr Andrew John Southcott MP, Mr Michael Sukkar MP,
Mr Ross Xavier Vasta MP and Mrs Lucy Elizabeth Wicks MP

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

Party Leaders and Whips
Liberal Party of Australia
Leader—Hon. Malcolm Bligh Turnbull MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Ms Nola Bethwyn Marino MP
Government Whips—Mr Ewen Thomas Jones MP and Mr Brett David Whiteley MP

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

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

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<td>LP</td>
</tr>
<tr>
<td>Wilkie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
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</table>
Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
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<tr>
<td>Wilson, Mr Richard James</td>
<td>O'Connor, WA</td>
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<tr>
<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</td>
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<tr>
<td>Wyatt, Mr Kenneth George, AM</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Zimmerman, Mr Trent</td>
<td>North Sydney, NSW</td>
<td>LP</td>
</tr>
</tbody>
</table>

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

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—R Stefanić
Parliamentary Budget Officer—P Bowen
<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Minister</td>
<td>Hon. Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator Hon. Nigel Scullion</td>
</tr>
<tr>
<td>Minister for Women</td>
<td>Senator Hon. Michaelia Cash</td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>Senator Hon. Arthur Sinodinos AO</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator Hon. Michaelia Cash</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Digital Government</td>
<td>Senator Hon. Mitch Fifield</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Counter Terrorism</td>
<td>Hon. Michael Keenan MP</td>
</tr>
<tr>
<td>Assistant Minister to the Prime Minister</td>
<td>Hon. Alan Tudge MP</td>
</tr>
<tr>
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<td>Senator Hon. James McGrath</td>
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<tr>
<td>Assistant Minister for Productivity</td>
<td>Hon. Dr Peter Hendy MP</td>
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<tr>
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<td>Senator Hon. Scott Ryan</td>
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<tr>
<td>Minister for Infrastructure and Regional Development (Deputy Prime Minister)</td>
<td>Hon. Warren Truss MP</td>
</tr>
<tr>
<td>Minister for Territories, Local Government and Major Projects</td>
<td>Hon. Paul Fletcher MP</td>
</tr>
<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>Hon. Michael McCormack MP</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>Hon. Julie Bishop MP</td>
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<tr>
<td>Minister for Trade and Investment</td>
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</tr>
<tr>
<td>Minister for International Development and the Pacific</td>
<td>Hon. Steven Ciobo MP</td>
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<tr>
<td>Attorney-General (Vice-President of the Executive Council)</td>
<td>Senator Hon. George Brandis QC</td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
<td>Senator Hon. Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td>Minister for Justice</td>
<td>Hon. Michael Keenan MP</td>
</tr>
<tr>
<td>Assistant Minister for Multicultural Affairs</td>
<td>Senator Hon. Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Hon. Scott Morrison MP</td>
</tr>
<tr>
<td>Minister for Small Business</td>
<td>Hon. Kelly O’Dwyer MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>Hon. Kelly O’Dwyer MP</td>
</tr>
<tr>
<td>Assistant Minister to the Treasurer</td>
<td>Hon. Alex Hawke MP</td>
</tr>
<tr>
<td>Minister for Finance (Deputy Leader of Government in the Senate)</td>
<td>Senator Hon. Mathias Cormann</td>
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<tr>
<td>Acting Special Minister of State</td>
<td>Senator Hon. Mathias Cormann</td>
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<tr>
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<td>Hon. Barnaby Joyce MP</td>
</tr>
<tr>
<td>Assistant Minister for Agriculture and Water Resources</td>
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<tr>
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<td>Hon. Christopher Pyne MP</td>
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<tr>
<td>Minister for Resources, Energy and Northern Australia</td>
<td>Hon. Josh Frydenberg MP</td>
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<tr>
<td>Assistant Minister for Science</td>
<td>Hon. Karen Andrews MP</td>
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<tr>
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<td>Hon. Wyatt Roy MP</td>
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<td>Title</td>
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<tr>
<td>Minister for Immigration and Border Protection</td>
<td>Hon. Peter Dutton MP</td>
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<tr>
<td>Minister for the Environment</td>
<td>Hon. Greg Hunt MP</td>
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<tr>
<td>Acting Minister for Cities and the Built Environment</td>
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<tr>
<td>Minister for Health</td>
<td>Hon. Sussan Ley MP</td>
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<tr>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Hon. Stuart Robert MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of</td>
<td>Hon. Stuart Robert MP</td>
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<tr>
<td>ANZAC</td>
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<tr>
<td>Acting Minister for Defence Materiel and Science</td>
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<tr>
<td>Assistant Minister for Defence</td>
<td>Hon. Darren Chester MP</td>
</tr>
<tr>
<td>Minister for Communications</td>
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<tr>
<td>Minister for the Arts</td>
<td>Senator Hon. Mitch Fifield</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<tr>
<td>Minister for Employment</td>
<td>Senator Hon. Michaelia Cash</td>
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<tr>
<td>Minister for Social Services</td>
<td>Hon. Christian Porter MP</td>
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<td>Minister for Education and Training</td>
<td>Senator Hon. Simon Birmingham</td>
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<tr>
<td>Minister for Vocational Education and Skills</td>
<td>Hon. Luke Hartsuyker MP</td>
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<tr>
<td>(Deputy Leader of the House)</td>
<td></td>
</tr>
<tr>
<td>Minister for Tourism and International Education</td>
<td>Senator Hon. Richard Colbeck</td>
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Each box represents a portfolio. Cabinet Ministers are shown in bold type. As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases. Assistant Ministers in italics are designated as Parliamentary Secretaries under the Ministers of State Act 1952.
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<td>Hon. Bill Shorten MP</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon. Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader on State and Territory Relations</td>
<td>Senator Katy Gallagher*</td>
</tr>
<tr>
<td>Shadow Minister for Women</td>
<td>Senator Claire Moore</td>
</tr>
<tr>
<td>Manager of Opposition Business (Senate)</td>
<td></td>
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<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon. Jacinta Collins</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon. Michael Danby MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon. Ed Husic MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary Assisting with Digital Innovation</td>
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<td>and Startups</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Senator Sam Dastyari</td>
</tr>
<tr>
<td>Deputy Manager of Opposition Business (Senate)</td>
<td>Terri Butler MP</td>
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<tr>
<td><strong>Deputy Leader of the Opposition</strong></td>
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<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
<td>Hon. Matt Thistlethwaite MP</td>
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<tr>
<td><strong>Leader of the Opposition in the Senate</strong></td>
<td>Senator the Hon. Penny Wong</td>
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<tr>
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<tr>
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<td>Dr Jim Chalmers MP</td>
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<tr>
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<tr>
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<tr>
<td><strong>Shadow Minister for Infrastructure and Transport</strong></td>
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<tr>
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<tr>
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<tr>
<td>Shadow Parliamentary Secretary for the Environment, Climate Change and Water</td>
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<tr>
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<tr>
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<tr>
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<tr>
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<tr>
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<tr>
<td>Shadow Minister for Ageing</td>
<td>Hon. Shayne Neumann MP</td>
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<tr>
<td>Shadow Minister for Mental Health</td>
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<td>Shadow Minister for Families and Payments</td>
<td>Hon. Jenny Macklin MP</td>
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<tr>
<td>Shadow Minister for Disability Reform</td>
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<tr>
<td>Shadow Minister for Housing and Homelessness</td>
<td>Senator Katy Gallagher*</td>
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<tr>
<td>Shadow Minister for Human Services</td>
<td>Senator the Hon. Doug Cameron</td>
</tr>
<tr>
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<td>Senator Claire Moore</td>
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<tr>
<td>Shadow Minister for Communities</td>
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<td>Shadow Parliamentary Secretary for Families and Payments</td>
<td>Senator Carol Brown</td>
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<tr>
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<td>Hon. Matt Thistlethwaite MP</td>
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<td>Hon. Shayne Neumann MP</td>
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<td>Hon. Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Hon. Brendan O'Connor MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment Services</td>
<td>Hon. Julie Collins MP</td>
</tr>
</tbody>
</table>

Shadow Cabinet Ministers are shown in bold type.

* Senator Katy Gallagher’s appointment to the Shadow Ministry is effective from 1 November 2015. Senator the Hon. Jan McLucas will serve as Shadow Minister for Housing and Homelessness and Shadow Minister for Mental Health, and represent the Shadow Minister for Northern Australia, the Shadow Minister for Health, the Shadow Assistant Minister for Health, the Shadow Minister for Sport and the Shadow Minister for Indigenous Affairs in the Senate until 31 October 2015.
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Tuesday, 9 February 2016

The SPEAKER (Hon. Tony Smith) took the chair at 12:00, made an acknowledgement of country and read prayers.

STATEMENT BY THE SPEAKER

The SPEAKER (12:01): I have a brief statement. After question time yesterday, the Manager of Opposition Business asked me about the setting of the clock during questions. Members have 30 seconds to ask questions. The clock is paused if there is an interruption to a question. It is reset if I ask a member to repeat or rephrase the question. I have asked the Clerk to ensure staff who serve as Deputy Clerk are aware of those arrangements, as the member for Sydney was not given the full 30 seconds to ask her question when I asked her to rephrase the first part of the question.

MINISTERIAL STATEMENTS

Trans-Pacific Partnership Agreement

Mr ROBB (Goldstein—Minister for Trade and Investment) (12:02): It gives me great pleasure today to table the historic Trans-Pacific Partnership Agreement, or TPP, and accompanying national interest analysis for consideration by the parliament.

Last Thursday, together with my ministerial colleagues from Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore, the United States and Vietnam, I had the privilege of officially signing the agreement in Auckland, New Zealand on behalf of Australia.

The TPP is the fourth trade agreement concluded by this government. It comes on top of the trifecta of bilateral agreements with Korea, Japan and China. These agreements are the result of a most ambitious trade and investment agenda. This is part of a very deliberate and ambitious strategy to support the diversification of our economy in this challenging post mining boom period.

Make no mistake, the TPP is a very big deal and it is undoubtedly the most significant global trade and investment agreement concluded since the landmark Uruguay Round over two decades ago.

As it stands, the 12 foundation members of the TPP represent around 40 per cent of the world's GDP. Importantly, it is open for other countries to join in the future, which will further amplify its benefits.

Already, other major and emerging economies such as Indonesia, South Korea, Thailand, Taiwan and the Philippines have expressed interest in also coming on board.

The TPP is also commonly referred to as a 21st-century agreement. It addresses not only the traditional trade and investment issues but also new issues that are extremely relevant to the contemporary global economy. These include e-commerce and, increasingly important, global and regional value chains and services which are so critically important to the health of the Australian economy.
As well, it sets in place common rules for labour and the environment and new rules to combat bribery and corruption and state owned enterprises.

Along with the Regional Comprehensive Economic Partnership, or RCEP, which is currently under negotiation and which includes the likes of China and India, it provides a prospective pathway to the ultimate objective of creating what would be a transformative free trade area across the entire Asia-Pacific region.

In my assessment, given this deal's reach and future potential, Australia simply cannot afford not to be a part of it.

It will assist our further integration into the Asia Pacific—a region that will be a critical driver of global economic growth in the years and decades ahead on account of an exploding middle class which the OECD itself estimates will go from 600 million to more than three billion over the next three decades.

The opportunities this will present for an innovative, knowledge and services based trading nation such as ours are limited only by the imagination.

The Chief Executive of the Business Council of Australia, Jennifer Westacott, said:

Seen in the context of the cumulative impact of three ambitious bilateral free trade agreements, these deals open the door for Australia to the geographical epicentre of global growth. TPP levels the playing field for business, workers and farmers, which means more jobs, higher wages, stronger growth, a higher standard of living and new economic opportunities for Australia.

Australia’s exports of goods and services to TPP countries were last year worth $109 billion, or around a third of our total goods and services exports; and our investment in these economies amounted to 45 per cent of all our outward investment, reaching $868 billion in 2014—a 16 per cent increase from 2013 and a doubling since 2004. We are certainly dealing with a region that will be the growth centre of the globe through this century.

Conversely, TPP countries invested $1,109 billion, or $1.1 trillion, in Australia in 2014, an amount which has more than doubled in the last decade.

And experience shows that when you deepen trading relations new investment inevitably follows.

For example, in the decade since we concluded our bilateral free trade agreement with the United States our two-way investment relationship has more than doubled to over $1.3 trillion.

Under the TPP, more than 98 per cent of tariffs will be eliminated. For Australia that means tariffs will be eliminated on approximately $13 billion of our dutiable exports, including $4.3 billion worth of agricultural goods with new levels of access for key industries such as beef, dairy, sugar, rice, grains, seafood, horticulture and wine. National Farmers Federation President Brent Finlay said and I quote:

The signing of the TPP is a game changing move for Australian agriculture and a comprehensive and liberalising agreement for the Australian community.

A further $2.1 billion of Australia’s dutiable exports will receive significant preferential access through new quotas and tariff reductions. For our exports of manufactured goods, worth an estimated $27 billion in 2014, the TPP will afford new levels of market access for iron and steel products, ships, pharmaceuticals, machinery, paper and auto parts, to name but
a few. And Australia's energy and resources sector will see significant new opportunities in oil and gas exploration.

The tariff cuts will deliver material gains for our exporters across the board and place downward pressure on the cost of imported goods for households and businesses, but the benefits that will flow from provisions that will create a more seamless trading environment are perhaps not well understood. The embrace of paperless trading, streamlined customs procedures and trading rules, assistance for SMEs, more seamless data flows and greater flexibility with data storage are all features of the TPP.

There is a noodle bowl of bilateral trade agreements that sit in many cases underneath. Nearly all of these members of the TPP have agreements with one another bilaterally but they all saw the benefit of moving and agreeing to one level—a higher level—of single trading rules, a seamless trading environment that will lower the cost and increase the efficiency of so much trade.

It also promotes high levels of environmental protection, enhanced compliance with internationally recognised labour rights and encourages TPP parties to address bribery and corruption. These are firsts in the case of trade agreements in many instances and will provide and ensure across many different economies, many different cultures, many different languages and many different stages of economic development greater protection for the labour force in many of these countries and certainly look to environmental protection in many of these countries as they do develop over this next century.

It will ensure that our private companies and businesses are able to effectively compete against state owned enterprises across the region—another first in a trade agreement. Australia of course has a most sophisticated and diverse services sector—it accounts for around 83 per cent of our GDP but less than 20 per cent of our exports. Collectively, TPP countries accounted for almost a quarter of the world's total trade in services and our exports to TPP countries were worth over $20 billion last year—over a third of our total services exports.

Significantly, this agreement will promote the expansion and diversification of our world-class services by liberalising key barriers, providing more transparent and predictable operating conditions. It will also capture future services sector reforms. On the investment side this agreement will make it easier for especially our small and medium businesses to physically establish in these sorts of markets where previously, before the digital age, before connectivity and before these sorts of greater levels of certainty, there was a large measure of discouragement for our small and medium businesses, especially in the services sector, to take the risk of establishing a presence in these markets. Much of that will be addressed with this TPP agreement.

Some of the services areas that will benefit include: our world-class, $90 billion mining equipment, technology and services, or METS, sector, as it is known; professional services, such as legal, architectural, engineering and surveying services; financial services; education; telecommunications; IT; transport; health; hospitality; tourism; and much more.

The TPP and our new north Asian FTAs provide a strong platform to significantly grow our services exports, which are in increasing demand across the region. We have seen it in China but we are seeing it in Indonesia, India, Malaysia and Vietnam—you name it. We are
seeing that these economies are moving to a stage where they need to increase domestic consumption to replace a heavy focus on the export of manufactures. They need the First World services skills that we have to offer. There is a great symmetry between what we have to offer and what is needed in the region. We cannot satisfy even a small proportion of what is coming down the line for us but we can be at the premium end of all of these services. We can train the trainers. I can tell you that our brand on services is gold standard right across the region—gold standard—and we need to capitalise on that. It does require in many cases a very significant cultural change from our small and medium businesses to see their next best opportunity is to establish a presence in one or several of the countries around us, because for the first time since European settlement what we are seeing is the nexus of world growth—and it is going to continue through this century—is in our own backyard, not 12,000 miles away, as it has been for 200 years. The TPP and our new North Asian FTAs provide a strong platform to capitalise on these opportunities that are emerging and are profound.

Australian companies will also have new opportunities to deliver government procurement services as a result of the TPP. The OECD estimates that eight to 20 per cent of a country's GDP comprises government procurement. The opening of procurement markets around the TPP region, underpinned by fair and transparent procurement rules, will allow Australian suppliers to discover new market opportunities for foreign government contracts and compete for them on an even playing field in a market of 800 million people—compared to the 23 million people in the Australian community. This is an enormous opportunity in its own right, government procurement, which is difficult and has been difficult in many of the member countries of the TPP. That is about to change.

The ability for professionals to work overseas is an integral feature of modern business. The TPP will provide Australian skilled business persons preferential temporary entry arrangements into key TPP markets. Australia's ability to continue attracting more than our fair share of foreign investment remains absolutely fundamental to our future growth and prosperity. And with a relatively small domestic market our economy also benefits from Australian companies investing abroad.

The TPP investment obligations reflect the importance the 12 parties have placed on providing transparent, stable and predictable investment environments. But a careful balance has been struck between the genuine interests of investors and preserving the rights of governments to pursue legitimate policies that are in the public interest, in areas such as health and the environment. In the application of the investor-state dispute settlement mechanism, it will be available for much of commerce if they find that governments in other member countries have discriminated against them or expropriated their property without due payment. On those two conditions, they can use the ISDS. But we have been successful—and Australia led the charge on this—in having an ability to exclude many areas of health and the environment from the ISDS so that we preserve the right of governments to pass public legislation in those areas.

The TPP will also promote further growth and diversification of foreign investment in Australia by liberalising the screening threshold at which private foreign investments in non-sensitive sectors are considered by the Foreign Investment Review Board, increasing it from $252 million to $1,094 million for all TPP parties. This is consistent with the approach taken in other free trade agreements.
The TPP delivers on this government's commitment to tackling red-tape and reducing business costs by including more transparent and efficient customs procedures, regional rules of origin and a single set of documentary procedures for products traded under the TPP. There will be electronic entry of the rules of origin and the data that is required for customs procedures at the first point of export. That data and those rules and those conditions will prevail throughout further trading of that material or subsequent manifestations of that material throughout the TPP region. Again, it is an area of business activity which is not properly understood—nor should it be, necessarily—but it is very important to get more seamless and more efficient and more digitised access of a lot of this data. It also will have an impact on reducing the opportunities for corruption, at ports, in many parts of the region.

The government values innovation and creativity and the need to protect it. The TPP establishes a common set of rules on intellectual property, which prevent piracy and counterfeiting. The intellectual property chapter is consistent with Australia's intellectual property regime. It will not require any changes to Australia's legislation.

As has been well publicised, we resisted pressure to increase our five-year period of data protection on biologic drugs and maintained the status quo because we have a system that works for Australia. Consequently, shrill claims by anti-trade groups that the TPP will drive up the cost of medicines in Australia have proved unfounded.

I am pleased to advise the National Interest Analysis conducted on the TPP states in part and I quote:

By setting common international trade and investment standards between member countries, the TPP will make doing business across the region easier, reducing red tape and business costs.

Increased and more efficient trade and investment in the region will benefit the Australian economy. Improved market access for Australian goods and services exports and lower import prices will increase capital accumulation, raise productivities and improve utilisation of resources.

And despite claims by opponents that the government's involvement in the TPP negotiations was shrouded in secrecy, the National Interest Analysis shows that since 2008, when negotiations commenced, almost 500 groups were consulted, including individuals, NGOs, companies, academia, peak industry groups, consumer groups and trade unions. In total there were more than 2,000 consultations, and almost 100 formal written submissions were also received. These proved, as you would expect, invaluable in guiding our approach to the negotiations and keeping us in step with community expectations. Our position on biologics is testament to this.

To assist Australian businesses take advantage of the TPP we will also continue with our stakeholder engagement and provide detailed briefings to all interested stakeholders. Once we have finalised our treaty processes, we will add the TPP and all its component countries to our interactive online trade portal, which already features comprehensive information to help exporters take advantage of our free trade agreements with China, Korea and Japan. It is a very user-friendly stepwise process, which identifies the tariffs and much other information that apply in each of these member countries so that potential traders from Australia can, very quickly, assess the opportunities and the competitive position that they would confront if they decided to export or import.

In finishing I would like to take this opportunity to pay tribute to all those who have a stake in this success. This includes all the negotiators and support staff from DFAT who have so
diligently and professionally, over a long period, worked to secure outcomes beneficial to Australia. Most recently they have been ably led by our lead negotiator, Elizabeth Ward, and also Jan Adams, our new ambassador designate to China. I think we have got quite a number of the team in the gallery and I would like to very personally acknowledge them and thank them for the outstanding support.

There is 16,000 pages to these negotiations. That tells you the number of decisions and the issues that are involved. The complexity and the need for very expert legal advice on every step, as well as the endless conferring with industry groups to ensure and to understand the impact of propositions being put to us, not just by one country but by 11 countries, required a lot of very professional and dedicated work, and I was just in awe of the work that the department was able to provide. It has been a long, drawn out process. Many have been the distance, in fact, with this particular agreement, and that was certainly to my great advantage as we tried to wrap it up.

I also pay special tribute to Chris DeCure, who was Elizabeth's predecessor. Sadly Chris passed away before the negotiations were concluded. In fact, sadly, it is the first anniversary of Chris's death this very day, so it is perhaps a testament to the significant contribution he made as the leader of this team over many difficult years in this negotiation process. He was a wonderful man who made an invaluable contribution. I would also like to thank my own staff for their professionalism and support and, again, also for their effective working relationship with all of our DFAT team. It is very important to have one team when you are doing these sorts of things, and I am very grateful for the long hours and the expertise and the judgement that has been exercised by my own team.

And I acknowledge my immediate predecessors in Simon Crean, Craig Emerson and Richard Marles for their work in advancing negotiations under the previous government and also the shadow minister Penny Wong for her constructive engagement. Australia's strong tradition of bipartisan support for freer trade is grounded in an innate understanding of the importance of more efficient global trade and investment to the economic health of our nation. Long may this continue.

I hereby table the Trans-Pacific Partnership Agreement, with its National Interest Analysis, and commend them to the House. In tabling the document, because it is 16,000 pages, there is part of the hard copy, but also, as it is a 21st century document, I have got 16,000 pages on a memory stick, which I commend to the House.

I present the following documents:

Treaties—Multilateral—Text, together with national interest analysis, regulation impact statement and annexures—Trans-Pacific Partnership Agreement between the Government of Australia and the Governments of: Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States of America and Vietnam and associated side letters, Auckland, 4 February 2016.


**Ms PLIBERSEK** (Sydney—Deputy Leader of the Opposition) (12:26): The opposition notes the tabling of the text of the Trans-Pacific Partnership and the government's National Interest Analysis. I am a little disappointed that the minister did not bring the whole 16,000 pages in—I would have liked to have seen the strength of the minister in carrying those big folders into the chamber today! We acknowledge also the very hard work of the minister and
his predecessors, Simon Crean, Craig Emerson and Richard Marles, and of the very many
dedicated public servants who have spent, in some cases, many years working on this
agreement. I would like to thank the minister for acknowledging the work of Senator Penny
Wong, the opposition trade spokesperson, and her staff.

The tabling will allow parliamentary scrutiny of the TPP, including through an inquiry by
the Joint Standing Committee on Treaties. Modern trade agreements are increasingly complex
and wide-ranging documents, including the agreement itself—multiple agreements on
occasions—side letters, annexes, schedules and implementation agreements, often running to
hundreds and, in this case, 16,000 pages. They raise important public policy issues too, not
only in the traditional areas of market access for goods and services but also in new areas
ranging from investment and intellectual property to competition policy and regulation of
sectors like financial services.

That is why it is very important that this agreement be subject to full parliamentary
scrutiny. Stakeholders, including business, academic experts, unions, non-government
organisations and members of the public themselves must be afforded the opportunity to have
their say on agreements like the TPP. For our part, the opposition will utilise the
parliamentary processes, including the Treaties Committee inquiry, to closely scrutinise the
agreement.

The Trans-Pacific Partnership is a trade agreement between 12 countries from around the
Asia-Pacific rim which account for approximately 40 per cent of global GDP. In addition to
Australia, the TPP covers Brunei, Dar es Salaam, Canada, Chile, Japan, Malaysia, Mexico,
Peru, New Zealand, Singapore, the United States and Vietnam. We were pleased to join in the
TPP negotiations in March 2010 under the former Labor government. The conclusion of
negotiations was announced by the ministers of the TPP countries last October and the
agreement signed by ministers just last week in New Zealand.

Labor recognises the many potential benefits for Australia from the Trans-Pacific
Partnership, including increased market access for our goods and services. In 2014, a third of
Australia's goods and services exports went to TPP countries. The TPP will improve access to
these markets, firstly, by eliminating 90 per cent of all tariffs on Australian goods exported to
TPP countries and, secondly, by liberalising access for Australian services industries to TPP
markets. The agriculture sector stands to benefit substantially from the Trans-Pacific
Partnership reduction in tariffs and other barriers to Australia exports, including beef, sugar,
rice, dairy products, cereals, wine and seafood. The resources and energy sector will benefit
from reduction of tariffs on Australian exports of commodities such as iron ore, copper,
nickel, liquefied natural gas and refined petroleum.

The TPP, of course, also includes provisions designed to liberalise the trade in services.
Increasing services exports is a key to future opportunities for Australia, as the number of
middle-class consumers in the Asia-Pacific area is set to grow significantly in coming years,
resulting in increased demand for high-quality services—services that our companies are
ideally placed to deliver. The Trans-Pacific Partnership would help realise some of these
opportunities in a number of service sectors. For example, in professional services under the
TPP, Malaysia has agreed to remove restrictions on access to legal, architectural, engineering
and surveying services. In the area of financial services, the Trans-Pacific Partnership would
provide new opportunities to provide cross-border services such as investment advice,
portfolio management services and insurance for freight transport. In the area of education, for example, Australian universities and vocational education providers, who are doing so well in many countries across our region, would gain access to Brunei Darussalam, Japan, Malaysia, Mexico, Peru and Vietnam. In telecommunications services, Australian telecoms providers would benefit from phasing out of foreign equity limits in Vietnam's telecommunications sector. In health services, Australian health providers would have greater certainty regarding market access in Malaysia, Mexico and Vietnam. In hospitality and tourism services, Australian suppliers of travel and tour services benefit from access in Brunei Darussalam, Canada, Chile, Japan, Mexico and Peru and greater certainty regarding access in Brunei Darussalam, Canada, Chile, Japan, Mexico and Peru.

Increased market access for Australian goods and services exports around the Asia-Pacific region gives Australian business the opportunity to boost export earnings. Higher export earnings in turn, of course, can translate into stronger economic growth for Australia and greater job opportunities for Australians. I note that the government has not conducted any modelling of the economic impact of the TPP and that the minister has publicly ruled out undertaking any modelling. I believe this is regrettable because modelling which focuses on the impact on Australia would be a useful contribution to the public debate on the TPP.

The Trans-Pacific Partnership can be a stepping stone to even closer economic engagement across the Asia-Pacific. Labor have always been a strong supporter of such engagement, including during our most recent time in government through our development of the *Australia in the Asian century* white paper. It is the goal that Labor pursued from the establishment of APEC to that more recent expression in the white paper. So the opposition welcomes the potential benefits from this agreement. However, we do have a number of concerns about aspects of the Trans-Pacific Partnership, and I will briefly outline some of those concerns now. In the area of pharmaceuticals in particular, as a former health minister I have observed the development of this agreement very closely. Labor has insisted that no element of the TPP should affect the cost and availability of medicines in Australia. We will examine the intellectual property provisions of the agreement closely to ensure that the commitment the minister has made, that Australia's Pharmaceutical Benefits Scheme will not be affected, is fully honoured. This is an area where we have seen a great deal of consternation in the Australian community in recent years because Australians are very attached, as you know, Mr Deputy Speaker Irons, to our world-leading Pharmaceutical Benefits Scheme, which enables Australians to have access to medicines at a price they can afford. The Minister for Health is at the table today, and she would know what strong support there is in the Australian community for a system that means that medicines that sometimes cost thousands of dollars, or even, in some cases, hundreds of thousands of dollars, for a course of treatment are available to patients through the Pharmaceutical Benefits Scheme at either the discounted rate available to pensioners or others on income support or, nevertheless, a very reasonable amount to people who are entitled to use our pharmaceutical benefits provisions. So we will look at the intellectual property provisions of the agreement closely, because the affordability of the Pharmaceutical Benefits Scheme does rely on Australia being able to negotiate a good price with the makers of medicines, and that good price includes paying less as medicines come off patent. The issue of data exclusivity for biologics—new medicines developed from biological materials—is particularly important. Stakeholders have raised a number of questions about the impact of the TPP on pharmaceutical benefits and
biologics. These questions need to be clearly answered to remove any doubts about the impact of the TPP on the cost and availability of these medicines in Australia.

The opposition is also concerned that the government has agreed to investor-state dispute settlement provisions in the TPP. Labor has led the way in arguing against investor-state dispute settlement provisions in trade agreements. In government, we adopted a policy of not including these provisions in trade agreements and we remain opposed to the inclusion of investor-state dispute settlement provisions; but the Abbott government and, now, the Turnbull government have included these provisions in trade deals with Korea and with China and now in the TPP. There are widespread and, I believe, legitimate concerns over ISDS provisions. The concerns come from mainstream economic and legal experts. They include the Productivity Commission; the Chief Justice of the High Court of Australia, Justice Robert French; the former head of the Australian Industry Group and Reserve Bank of Australia board member, Heather Ridout; and numerous academics. Even former Liberal Prime Minister John Howard refused to include an ISDS provision in the Australia-United States Free Trade Agreement, despite pressure to do so from the United States. But now the Turnbull government has included ISDS provisions in the TPP, which will potentially give multinational corporations the right to challenge Australian public policies and regulations.

As a former health minister I can say that one area that has been raised as an area of concern is our very strong world-leading plain package tobacco laws which have been so successful in driving down rates of smoking in Australia. But that is not the only area of concern. There are legitimate public concerns over the impact of ISDS provisions on Australia's public policies in areas—

Ms Ley interjecting—

Ms PLIBERSEK: It is extraordinary to find a health minister who does not support tobacco excise increases. That is the thing that I find remarkable—given how successful they are and given that the World Health Organization says they are the best way of getting smoking rates down. Anyway, back to the TPP.

Labor will closely examine the minister's claims that there are acceptable safeguards in the TPP's investor-state dispute settlement and investment provisions and will also examine the impact of any implementation agreements in this area.

The other area where we have been looking at the impact of the Trans-Pacific Partnership on Australia is the area of the Australian labour market. This also warrants careful attention. As we made clear in the debate on the China-Australia Free Trade Agreement, our view is that trade agreements should enhance and not constrain job opportunities for Australians. An important safeguard in Australia's temporary skilled migration system is labour market testing. We will examine the impact of the TPP's chapter on temporary entry on labour market testing and other safeguards in Australia's migration system.

Labor will scrutinise the Trans-Pacific Partnership to ensure that it delivers economic benefits without undermining Australian public policies in areas such as affordable medicines, environmental protection and balanced intellectual property laws. Labor recognises the potential economic benefits to Australia from the Trans-Pacific Partnership, including increased market access for our goods and services. The Trans-Pacific Partnership will also significantly benefit some of the poorest countries in our region, and we are pleased that they
will be able to export more of their goods and services and drive economic growth in their own countries.

We note that the agreement also contains a number of progressive measures. It contains commitments to tackle environmental challenges in the Asia-Pacific region, such as illegal logging, unsustainable fisheries management and biodiversity conservation. We know how important the stewardship of such resources is for the long-term prosperity of our neighbours.

The TPP also contains a chapter on labour standards. This requires TPP countries to adopt core labour standards such as workers' rights to organise, decent minimum wage regulation and acceptable standards in areas such as occupational health and safety.

The TPP also contains a development chapter which acknowledges the importance of promoting inclusive economic growth, including a more broad based distribution of the benefits of economic growth through the expansion of business, creation of jobs and alleviation of poverty. Mr Deputy Speaker Irons, you would know, as members across the chamber would know, that recent work done through our time on the G20 and work done by the IMF and by the OECD continues to emphasise and show that inclusive growth leads to longer and stronger growth. So inclusive growth within countries and between countries is good for us all.

We acknowledge that the TPP has the potential to deliver a range of benefits. Labor does not support the inclusion of investor-state dispute settlement provisions within the TPP. We will insist that the agreement must not adversely affect the cost or availability of medicines for Australians, and we have some concerns about the impact of the agreement on safeguards in Australia's temporary skilled migration system. I would have to add that the refusal of the government to take action in recent cases of egregious worker exploitation does not give us particular confidence in this area.

Now that the agreement has been tabled by the minister, the treaties committee will conduct its inquiry. This will allow members of the public and stakeholders to have their say and will be a very important and valuable forum for scrutinising the Trans-Pacific Partnership. For our part, we will rigorously scrutinise the agreement to ensure that it lives up to the government's claims and to the potential of the agreement itself.

Mr ROBB (Goldstein—Minister for Trade and Investment) (12:43): I move:

That the House take note of the ministerial statement.

Debate adjourned.

Reference to Federation Chamber

Mr ROBB (Goldstein—Minister for Trade and Investment) (12:44): I move:

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

Question agreed to.

MOTIONS

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (12:44): I seek leave to move the following motion:

That the House:
(1) notes that:
   
   (a) except where the Prime Minister has given permission to continue an interest in a family business, the Prime Minister's own Statement of Ministerial Standards puts a blanket ban on Ministers providing assistance to companies in a private capacity;
   
   (b) the Minister for Veterans' Affairs provided assistance in a private capacity to Nimrod Resources to seal a mining deal with a Chinese state-owned company during a trip to China;
   
   (c) the principal of Nimrod Resources who the minister accompanied to China has donated more than $2 million to the Liberal Party; and
   
   (d) on the same trip, the Minister subsequently met with the Chinese Vice-Minister for Land and Resources; and

(2) calls on the Minister for Veterans' Affairs to immediately attend the House to provide a full explanation of his trip to China and explain why he has not breached the Prime Minister's Statement of Ministerial Standards.

Leave not granted.

Suspension of Standing and Sessional Orders

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (12:46): I move:

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

That the House:

(1) notes that:
   
   (a) except where the Prime Minister has given permission to continue an interest in a family business, the Prime Minister's own Statement of Ministerial Standards puts a blanket ban on Ministers providing assistance to companies in a private capacity;
   
   (b) the Minister for Veterans' Affairs provided assistance in a private capacity to Nimrod Resources to seal a mining deal with a Chinese state-owned company during a trip to China;
   
   (c) the principal of Nimrod Resources who the minister accompanied to China has donated more than $2 million to the Liberal Party; and
   
   (d) on the same trip, the Minister subsequently met with the Chinese Vice-Minister for Land and Resources; and

(2) calls on the Minister for Veterans' Affairs to immediately attend the House to provide a full explanation of his trip to China and explain why he has not breached the Prime Minister's Statement of Ministerial Standards.

The Prime Minister needs to show some leadership to this country. This minister has betrayed his duty to the Australian people.

The DEPUTY SPEAKER (Mr Irons): I call the minister.

Mr Dreyfus: He has betrayed his duty to uphold the high office—

The DEPUTY SPEAKER: Order! The member for Isaacs will resume his seat.

Ms LEY (Farrer—Minister for Health, Minister for Sport and Minister for Aged Care) (12:47): I move:

That the Member be no longer heard.

The DEPUTY SPEAKER: All those in favour say aye; all those against? I think the noes have it. Is a division required? Division required. Ring the bells for four minutes.
Mr Dreyfus: He has gone in a private capacity to assist a Liberal Party donor to seal a mining deal.

The DEPUTY SPEAKER: Order! The member will resume his seat. A division was called for.

Opposition members: No, it wasn't!

The DEPUTY SPEAKER: The minister called for a division.

Ms Plibersek: You can't do it in your head. You have to say it.

Mr Robb: He did.

The DEPUTY SPEAKER: I did say it. Look at the tapes. I did say it.

Mr Burke: Point of order: in order for there to be a division, there need to be two voices calling for it. There were not.

The DEPUTY SPEAKER: There were.

Mr Burke: Therefore, there can't—

The DEPUTY SPEAKER: There were.

Mr Burke: They are not allowed to call using their silent secret inside voices.

The DEPUTY SPEAKER: They did not use a silent secret voice.

Mr Burke: They have to make a noise. They weren't.

The DEPUTY SPEAKER: I heard more than two voices, and the minister called for a division.

Mr Robb: Three voices.

The DEPUTY SPEAKER: A division is required. Ring the bells for four minutes. The question is that the member be no longer heard.

The House divided. [12:52]

(The Deputy Speaker—Hon. Bruce Scott)

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<tr>
<th>Ayes</th>
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AYES

Abbott, AJ  
Andrews, KL  
Billson, BF  
Briggs, JE  
Broadbent, RE  
Buchholz, S  
Christensen, GR  
Cobb, JK  
Coulton, M (teller)  
Entsch, WG  
Frydenberg, JA  
Gillespie, DA  
Griggs, NL  
Hastie, AW  
Henderson, SM  
Alexander, JG  
Baldwin, RC  
Bishop, JI  
Broad, AJ  
Brough, MT  
Chester, D  
Ciobo, SM  
Coleman, DB  
Dutton, PC  
Fletcher, PW  
Gambaro, T  
Goodenough, IR  
Hartsuyker, L  
Hawke, AG  
Hendy, PW  

CHAMBER
### AYES

- Hogan, KJ
- Hutchinson, ER
- Jensen, DG
- Keenan, M
- Laming, A
- Laundy, C
- Macfarlane, IE
- Markus, LE
- McCormack, MF
- Morrison, SJ
- O'Dowd, KD
- Pasin, A
- Porter, CC
- Price, ML
- Ramsey, RE
- Robert, SR
- Ruddock, PM
- Simpkins, LXL
- Stone, SN
- Sukkar, MS
- Tehan, DT
- Tudge, AE
- Varvaris, N
- Whiteley, BD (teller)
- Wood, JP
- Zimmerman, T
- Howarth, LR
- Irons, SJ
- Jones, ET
- Kelly, C
- Landry, ML
- Ley, SP
- Marino, NB
- Matheson, RG
- McNamara, KJ
- Nikolic, AA
- O'Dwyer, KM
- Pitt, KJ
- Prentice, J
- Pyne, CM
- Robb, AJ
- Roy, WB
- Scott, FM
- Southcott, AJ
- Sudmalis, AE
- Taylor, AJ
- Truss, WE
- Van Manen, AJ
- Vasta, RX
- Wicks, LE
- Wilson, RJ
- Wyatt, KG

### NOES

- Albanese, AN
- Bird, SL
- Brodtmann, G
- Burke, AS
- Butler, TM
- Chalmers, JE
- Chesters, LM
- Claydon, SC
- Conroy, PM
- Dreyfus, MA
- Ellis, KM
- Ferguson, LDT
- Giles, AJ
- Griffin, AP
- Hayes, CP
- Jones, SP
- Leigh, AK
- MacTiernan, AJGC
- McGowan, C
- Neumann, SK
- O'Neil, CE
- Parke, M
- Plibersek, TJ
- Bandt, AP
- Bowen, CE
- Burke, AE
- Butler, MC
- Byrne, AM
- Champion, ND
- Clare, JD
- Collins, JM
- Danby, M
- Elliot, MJ
- Feeney, D
- Fitzgibbon, JA
- Gray, G
- Hall, JG (teller)
- Husic, EN
- King, CF
- Macklin, JL
- Marles, RD
- Mitchell, RG
- O'Connor, BPJ
- Owens, J
- Perrett, GD
- Ripoll, BF

CHAMBER
Question agreed to.

The DEPUTY SPEAKER: Is the motion seconded?

Mr BURKE (Watson—Manager of Opposition Business): I second the motion. The Turnbull government cannot cover up for this minister forever.

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science): I move:

That the Member be no longer heard.

The DEPUTY SPEAKER: The question is that the member be no longer heard.

The House divided. [13:00]

(The Deputy Speaker—Hon. Bruce Scott)

Ayes ...................... 83
Noes ...................... 56
Majority ................ 27
Question agreed to.

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (13:02): I move:

That the question be now put.
The DEPUTY SPEAKER: The question is that the question be put. Question agreed to.

The DEPUTY SPEAKER: The question now is that the motion for the suspension of standing orders be agreed to. There being more than one voice calling for a division, in accordance with standing order 133 the division is deferred until the conclusion of the discussion on the matter of public importance.

Debate adjourned.

**BILLS**

**Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

**Dr STONE** (Murray) (13:04): I rise to speak on the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015. This bill introduces reforms to the family tax benefit part A and the family tax benefit part B. It also looks at the at-home under-18-year-old fortnightly rate. Under the current rules, there are different rates for family tax benefit eligible children. From 1 July 2016 this bill will make changes to the rate structure and rules for family tax benefit part B and reduce some of the confusion regarding rates for various ages.

From 1 July 2018 youth allowance and disability support pension recipients aged under 18 and living at home will receive the same fortnightly rate as family tax benefit part A paid for eligible children aged up to the age of 19 years. This will mean that from 1 July 2016 the maximum basic rate of youth allowance will be paid for a person who is: not independent, lives home and is not yet 18; an accommodated independent person not yet 18 years of age; independent and in supported state care and is not yet 18 years of age. The aim is to ensure that there is no financial incentive for a child to leave full-time secondary study to claim youth allowance. That would be a very sorry outcome. Too often in the past it has led to long-term unemployment and intergenerational poverty when a child under financial stress, perhaps under pressure from some of their relations, understands that if they leave school they will have some welfare support. In general this bill makes changes that increase some rates of payment and maintain others.

We have just seen the results of the 2015 *Progress in Australian Regions* report. This is an ABS-ABARES document. It indicates why it is important for Australia to have a strong safety net for those who, for whatever reason, need additional support to live decently in Australia. The outcomes of this report for the electorate of Murray show that we have many low-income and unemployment challenges to overcome to improve the incomes and independence of people living in northern Victoria.

In the 2015 report, Shepparton had the lowest median weekly household income increases for the whole of Australia between 2001 and 2011. Incomes only increased by $11 over that 10-year period. The average increase across Australia for the same period was $190. You might wonder why we have such low income or low median weekly household income
increases in what has often been called the food bowl of Australia. We are a rural electorate dependent on our hard-working farmers, whether they are in dairy, beef, fruit growing or cropping, or have piggeries. We are an area which has long been dependent on water security provided through the Murray-Darling system and, in particular, the Goulburn Murray Irrigation District. Communities, however, had to survive the millennium drought—a 10-year drought at the turn of the century when, for the first time in history, the irrigation system failed. This left many farmers with high levels of debt—many, in fact, doubled their debt. This caused enormous stress to families as well as to small and larger communities.

There are over 60 towns with less than 5,000 people in my electorate of Murray. Some of my towns only have 100 to 400 people in them. The town where I was born, Pyramid Hill, had only 400 people when I was born, and it continues to have a population of 400 people. The majority of our farm families—as well as many of our small businesses—were only able to put food on the table and pay their household bills through having the drought Exceptional Circumstances Relief Payment coming in to their households. This was the equivalent of Newstart allowance. That Exceptional Circumstances drought support has been replaced by a different welfare support payment, the Farm Family Support benefit. But it was, in the case of my electorate, an essential safety net which meant we were able to have farm families stay—many of them recovered—because they at least had enough income on a weekly basis to pay for the basics of keeping their families together.

In 2008, when the Labor government was in power, the Minister for Climate Change and Water at the time, Penny Wong, was in the early stages of gathering together water out of the Murray-Darling Basin production systems, to be moved into the Commonwealth Environmental Water Holder's bucket. Unfortunately, she offered what turned out to be over $2,500 a megalitre to farmers if they sold their water to the Commonwealth. The sellers, of course, were not willing; too often the pressure was coming from their financial advisers and from the banks, to whom they owed double the debt they owed in the time before the drought. They were told that if they did not retire their debt their properties would be sold—their land as well as the water. They were also informed that the temporary water market, which at that time was selling a megalitre of water for some $30 to $40, would be a more-than-adequate alternative to owning a permanent water entitlement holding into the future. Tragically, there has now been a huge increase in the price of temporary water. It is today, as we speak, up around $300 a megalitre, putting it beyond the reach of dairy farmers, fruit growers and certainly rice growers. Only a very small proportion of primary producers can pay that price, but it makes it a wonderful playground for speculators, who joyously talk about the 20 to 30 per cent profits that they make in trading their water. Those traders include Melbourne Water, who has 75 gigalitres of the Goulburn Murray Irrigation District entitlement, which it can no longer obtain via a closed down pipeline. They speculate with that water each year, at the same time making cash for the state of Victoria but putting the price of that water above farmers' capacity to pay to grow food and fibre.

This is a very difficult circumstance leading to many more families in my area—once dependent upon Exceptional Circumstances relief through the drought—to now reach for farm household support. I have some 70 farmers who are able to access food parcels supplied by the Victorian Foodbank weekly. Think of the irony of that situation: these are food
producers depending on the Foodbank of Victoria in order to put food on their own tables. This is a very tragic circumstance.

I was particularly concerned when consultant Mr Rob Rendell—unfortunately, the architect of the now discredited and failed Goulburn-Murray Water Connections Project Stage 2—gave evidence at the Senate inquiry into the Murray-Darling Basin Plan just last Friday. He said quite happily that:

... dairy farmers actually can turn it off—
that is, their water—
as they did in the drought for an odd year but it costs.

In fact, dairy farmers cannot turn their water off, even for one year, because they have to keep their herds supplied with stock water, their dairies have to be washed, and they have to grow pastures or they have to have sufficient means to buy in feed. To be viable, dairy farmers mostly rely on the capacity to grow their own fodder. We have a serious need in our area to have well-thought-through welfare support arrangements when through no fault of their own my agricultural producers find themselves in a condition or a state where—while doing their hardest work and having the strongest of intentions, great expertise and generations of knowledge—they still cannot make a living. That is because of failed policy, in this case the Murray Darling Basin Plan, and because of the Victorian government when it chose to pipe water across the divide to Melbourne in the middle of the worst drought on record. At the end of the day, that is a legacy of taking 225 gigalitres out of the system, and that was achieved by shutting down half of the irrigation infrastructure. That is why we have a very strong welfare connection now when it comes to keeping a lot of my farm families alive. It is a very sad state.

The regional report data I referred to a few moments ago, which looked at data for Shepparton and the north-west region, reflected on the critical state of the communities that have now lost so many of their rural enterprises or have again been forced into spiralling debt because state and federal government policies have forcibly removed their access to the irrigation supply systems that once conveyed their water. We have very high youth unemployment—around 26 to 27 per cent. The regional report stated that there has been a decline in young people aged from 15 to 24 who are earning or learning; however, some 70 per cent of young people in my electorate of Murray are earning or learning.

We have also seen our skill levels increasing with people attaining certificate III or above or being employed in skilled occupations. This rose to 52 per cent, but the national average for people in such categories is 59.8 per cent—nearly 60 per cent. At the same time, vocational or higher education qualifications for people in my area increased to 53.5 per cent, but the national average is 63.9 per cent. So you can see that in my region there has been a most significant slowing of the capacity of people to gain skill levels—at least a certificate III or above—or to have vocational or higher educational qualifications. We are at least 10 percentage points below the national average.

Ever since the drought, we have had a decline in the number of young people taking up higher educational opportunities away from home to go to university. They are often forced to consider only the local TAFE or the local campus at La Trobe University. Unfortunately, these campuses do not offer the range of courses that you would expect in a metropolitan
Too often courses, particularly those offered by universities, are only offered online. This situation has arisen because the cost of a student living away from home is some $20,000. If a family has more than one student who needs to live away from home to be educated, you can imagine that in the circumstances which I have just described it would be an impossible ask for these farm and small business families. So we are losing the next generation of educated, upskilled individuals, who are the backbone of any community and, in particular, of a small rural community. We should not have young people being disadvantaged because of their geographic location in our great country, but that is becoming even more the case than it was generations ago.

The loss of water from my area through deliberate government policy both state and federal—federally, of course, under Labor policy instigation—has resulted in the loss of agricultural enterprises. If we consider the dairy industry, dairy enterprises have been reduced by some 50 per cent since the middle of the worst drought on record. The multiplier effect of this enterprise loss means, as I mentioned before, some 27 per cent youth unemployment. The report showed that there has been a two per cent decrease in participation rates in the workforce in this region, down to 57.5 per cent. This is way below the average across Australia, which in terms of participation rates is 61.4 per cent. I have to say that this circumstance in my electorate makes me look very carefully at any welfare legislation—in this case, the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015. I want to make sure that our welfare, our safety net programs, in Australia offer genuine support, without perverse incentives, and also that it is very much geared to the circumstances in different parts of the country.

I am most concerned that our welfare takes on board that a lot of the children in my electorate are being raised by grandparents, usually the grandmother, and that when it comes to my youth, my young people, the 27 per cent unemployed, it often means that the girls have teenage pregnancies. They become single mothers. They live a life of poverty, rarely able to be skilled beyond their early school leaving age and often unemployed for all of their adult life. I commend this bill to the House. I see it as a most important piece of the legislation.

Ms CHESTERS (Bendigo) (13:19): It is a bit disappointing that the member for Murray, the previous speaker in this debate, did not mention once the 20,000 or so families that will have their family tax benefit A or B cut or reduced as a result of the bill before the House. I agree water policy is important, and that is the debate which is next on the speaking list; but this particular debate on the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015 is focused on this government's cuts and attacks on families.

Yet again, this policy has rebounded. It has boomeranged back onto the floor of this parliament. We are again debating cuts to family tax benefit part A and part B that will hurt thousands upon thousands of rural and regional families. There are 20,000 or so such families in the member for Murray's electorate; 20,000 or so in the member for Mallee's electorate; over 20,000 in the member for Wannon's electorate; and just under 20,000 in my electorate. The impact that these cuts will have on regional families cannot be underestimated, yet all we have seen from those on the government's side is either a blatant disregard for what is in this bill and they talk about other issues—important issues but not related to this bill—or they claim that the government needs to get tough and crack down on spending.
Again, this government is focused on attacking the poorest in our community—the working poor in our community, the single parents in our community, the grandparent carers in our community, the poor farmers in our community whose farms are not turning a profit—but not those in our community who are doing quite well at the other end of the income spectrum. Just to put a face to who we are talking about when it comes to the working poor, I have just one story of somebody in my electorate who will be impacted by the cuts and changes that are before the House. Helen is a hardworking dedicated mother of nine-year-old James. She and most others would have expected that she would be the last person in the world to end up depending upon charity to survive.

After struggling to find work as a chef with flexible hours to allow her to be a sole parent and raise her son, that is exactly where she found herself—at Bendigo Uniting Care asking for help. It is a hard thing to do for somebody who has worked their whole life and who has supported themselves for their whole life, only to now discover that they are struggling and need help. At one point her son's father was assisting; her son's father's parents and her parents were assisting with child care before and after school. She found that working nights as a chef and raising her son was just too hard. She said:

It just burnt me out, so I started to look for work during the day, but the rates are much lower, making it harder to survive. As work started to dry up during the day, I found that more and more of my shifts were being cut and, before I knew it, I went to Uniting Care to put my hand out for help.

Sometimes I bake muffins to take along to help other families, because it is pretty scary when you have to put your hand up for a food parcel, just to make sure your son has lunches to go to school.

This is a real story. This is the face of the person that this government is going after—this is who this government seeks to attack through these changes that are before us.

She is worried about the future and whether she will be able to get work. Will she be able to up-skill and find new work, knowing that it is very expensive to study because of the changes cuts to TAFE in Victoria by the previous government? Helen worries that this is a cycle that will continue through her son's whole life. She worries about what happens when James gets older—when he wants more and more; when he wants to go out with his friends after school. His basketball will get more expensive. These are the real life stories; these are the people that will be hit hardest by this government's unfair changes and cuts to family tax benefit part A and part B.

Uniting Care has done quite a bit to help people in my electorate. They raise quite a bit to help people in my electorate. They fundraise to help families around Christmas and going back to school. In fact, a recent drive in Bendigo raised enough money to help 100 kids get the resources they need to return to school. This is while these families still have access to family tax benefit part A and part B and while they still have access to the schoolkids bonus. I note that the schoolkids bonus will not help these families after next January. This June/July is the last period that these families will receive the schoolkids bonus.

Bendigo Family and Financial Counselling Services also report an increase in families and working people seeking support. People who are renting are quite often being crippled by increasing rents by the increased costs of running a house. Electricity prices are going up. All of them laugh when you ask them, 'Did you get your cheque for $550 that this government promised you when they repealed the carbon tax?' They laugh and say, 'You're joking, right? You're joking.' No cheque for $550; instead this government is repeatedly trying to cut family
tax benefit part A and part B. Let us take a note of the agencies I have mentioned: Bendigo Family and Financial Counselling Services, Bendigo Uniting Care and the Salvation Army. All of these agencies also had suffered a significant cut by this government in grants to deliver emergency food relief. Not only do these agencies have less funding, but they are helping more families. In fact, the Bendigo Family and Financial Counselling Services' emergency food relief funding was cut by 18 per cent last year, but the number of individuals and families seeking support rose by 30 per cent.

The working poor in our community, and especially the people trying to raise families, are doing it tough—really tough. The single parents, grandparents and parents are already doing it tough, and yet this government seeks to impose more pain on them by cutting the little income they have through the measures it puts forward in this bill. Despite the fact that these bills continue to be rejected by those in the other place, this government is determined to continue to push them through this parliament. It did demonstrates again government members are not listening to the people in their electorates. For all the people on that side who claim to represent regional and rural electorates, I question how often you are out there talking to people and help honest you are about the money you seek to cut from their budgets. A lot has happened in the last few years to put lots of pressure on household budgets—rent increases, higher utility charges, the cost of schooling is greater than it has ever been before, gap fees when it comes to medicine and Medicare or seeking to do the simple things like public transport, the cost of fuel. The daily expenses of living continue to go up, which is why these payments and these cuts at this time will hurt so many.

Another person in my electorate, Sharon, wrote to me on the news that this bill had re-entered parliament and this government was seeking again to cut family tax benefits. She wrote:

Lisa, please do not support these measures. We have met before. I am a single mum, still unemployed and after three years I am still looking for work. There is not a lot of part-time work available in Castlemaine. I currently receive a meagre $340 a week to support my daughter and myself. You can pass the disinformation onto your Liberal counterparts in parliament. It's very hard to survive on $340 a week. If family tax benefit B is removed it would take me down to $290 a week. $290 is not enough for a single parent family to survive on, yet that is what this government is trying to do in this measure before us. It demonstrates again how out of touch this government is with those who are trying to survive on the smallest of incomes. Sharon also says in her email:

It is already dehumanising to be unable to pay your bills, to seek the assistance of charities in a small community, where everybody knows your struggles. Those sympathetic looks and those looks of pity—I don't want my daughter to continue to experience those. I fill my pantry full of donations. I feel like I'm wearing on an armband 'Loser, bludger'—the shame that is embroidered upon me. I feel like I'm wearing a red letter, a letter that reminds me daily of my shame—

Debate interrupted.

**STATMENTS BY MEMBERS**

**Lunar New Year**

Mr WATTS (Gellibrand) (13:30): Today Parliament House hosted its first all-communities Lunar New Year festival. The absence of an event like this until today is an extraordinary omission given that, as Leader of the Opposition Bill Shorten pointed out in his
remarks at the event, there had been Asian-Australians celebrating Lunar New Year in this country for decades before this parliament had even been formed. The event was organised by my mates Wesa Chau and Jieh-Yung Lo, founders of the Poliversity group—a group aiming to promote greater diversity in Australia's public institutions. Parliamentarians shared in many of the Lunar New Year traditions of Asian-Australian communities—red packets, launching lanterns, calligraphy, eating sweets and enjoying lion dancing.

As the Lunar New Year is a time to reflect on family, I reflected that, when my own ancestor was a member of the Queensland parliament in the mid-19th century, the Chinese born proportion of the Australian population was around two per cent. It is striking that, 150 years later, the Chinese born population of Australia is again around two per cent of our population, with over 10 per cent of the Australian population claiming Asian heritage of some kind. It is worth celebrating how the experience of Asian-Australians has been transformed over this past 150 years. No longer do our parliaments actively seek to exclude Asian-Australians. Instead, they embrace them as equal citizens and welcome their traditions into the heart of our democracy. And we are all better off for it as Australians. Now hundreds of thousands of Australians families, like my own, celebrate Lunar New Year together. So gong hey fat choy, gong xi fa cai, chuc mung nam moi and a happy Year of the Monkey to all Australians.

Mackellar Electorate: Bush to Beach

Mrs BRONWYN BISHOP (Mackellar) (13:31): Last Saturday I joined in the 11th annual Bush to Beach weekend, held at South Narrabeen Surf Life Saving Club in my electorate of Mackellar, and I was welcomed by Ken Passmore. The program, which I have been involved with since the beginning, enables Aboriginal students, 40 of them this year, to come from Brewarrina in remote Western New South Wales to visit the beach. For many of them, this is the first time they have seen the ocean.

Bush to Beach began in 2006 with Jack Cannons AM a driving force, together with South Narrabeen Surf Life Saving Club and wonderful people such as Beryl Driver OAM and many others. The idea is to encourage school attendance and participation and reward young Aboriginal children selected from Brewarrina who demonstrate a good school attendance record and overall good behaviour. After a 12-hour bus journey, they enjoyed learning water safety, basic first aid and surfing instruction, and had a wonderful baked dinner and entertainment prepared by the surf life savers. There were gorgeous kids like Tianna, Brett and Burra, 'Australian of the Year for Br', who I am sure will succeed and become a paramedic. Missing was Aunty Joyce, who contributed so much, but her sister Aunty Frances is now included.

This program is so important as it enables these young Aboriginal children to expand their horizons and imagine what is possible if they continue to attend school and work hard. Benefits to individual children who have been in need of special help have been delivered as well. Congratulations to all who make this such an inspirational event.

Indi Electorate: Wodonga Anglican Parish

Ms McGOWAN (Indi) (13:33): Colleagues, I would like to tell you about the Anglican parish of Wodonga and, in particular, the work of St John's Anglican Church in Wodonga. I would like to acknowledge the work of the rector, Father Glyn Rees; the assistant priest,
Reverend David Halloway; Reverend Sandra Temple; and Reverend Arthur Martin and the leadership they provide to this wonderful community. The not-for-profit fundraising group Jack's Rags takes old rags and cleans them up and puts them into the system. I acknowledge Jim Hislop and Julia Skilton for the wonderful work that you and your team do. To the Busy Fingers craft group, the sewing group that includes everybody, to Gwenda Howard, well done. To the Revive clinic, to Maureen O'Neill and your team, what a fantastic service you provide to the people of Albury-Wodonga, particularly the people of Wodonga. To the cafe, to Sandra Temple, well done. I have seen how it works. I have seen people dropping in and having the chance to get together and have food in a really safe and congenial environment. To the people who run the Saturday market, to Clare and Maureen, well done. What a fantastic idea that is. Well done to the part of the church that works at Emmanuel, which is a church shared with the Uniting Church in Wodonga, and to the gardening there, the food there, the op shop there and the meals there. To the people who run the Holy Trinity Church at Bethanga, well done. It provides fantastic outreach to a small rural community. To the many wonderful people of Wodonga and the Anglican parish, thank you for your work.

Mallee Electorate: Agriculture

Mr BROAD (Mallee) (13:35): One of the great things about where I live in the electorate of Mallee is the vista when I look out my front window. I have been watching the vineyards as they get greener and greener. And now is the time of the year to go and buy some Australian grown table grapes. The table grape season is here. The weather is beautiful. There is nothing better than sitting down and watching a bit of sport and munching away on a few Australian grown table grapes. School is back, and they are great for kids lunches. Australian grown table grapes are going to be healthy and fresh. They are going to keep you regular and they are going to be very good for you.

I pay tribute to those who I have seen working very diligently over the last few months. The people who grow our fresh food are to be commended. They are Australia's unsung heroes. These table grapes are not just providing fresh fruit for Australians; they are now exported right across the world. So I say to the Australian people: buy some Australian grown fresh fruit. It is good to you, it is good for your health, it is good for our exports and it is good for our country. And well done to those hardworking Australians who grow the products that we eat every day.

Bendigo Electorate: Commonwealth Funding

Ms CHESTERS (Bendigo) (13:36): We might have a new Prime Minister but the policies are still the same. What we have before us is still the $80 billion in cuts to health and education. What does that mean for our schools and hospitals in Bendigo? It means $34 million being cut from Bendigo Hospital. We are about to get a brand-new hospital; it will be opened later this year or early next year. But we are worried it will not have the funding it needs to open its doors because this government is not paying its fair share. We have had $200 million cut from Bendigo schools. We have some small schools in the Bendigo electorate. We have a number of schools that are in low-SES areas. We have a number of schools with students with a disability that are not receiving the funding that they need.

What this government did when they were elected was to cut that funding. We have a new Prime Minister and we have half a new frontbench—we do not quite know what is happening with the other frontbench. None of them has said they are going to put that money back. This
is a Prime Minister that says one thing and does another. This government is hiding from the Australian people and not doing what they are asking, which is that they put back the money that they cut. Our schools and hospitals, our states, need a federal government that will partner with them to fund our schools and hospitals properly. It is time that this government got real, got serious and put the $80 billion back.

Paterson Electorate: Australia Day Honours

Mr BALDWIN (Paterson) (13:37): I rise today to recognise the outstanding contributions of individuals in my electorate of Paterson who were named on the 2016 Australia Day honours list. The title of Member of the Order of Australia, AM, was bestowed upon Clifford Beazley of Raymond Terrace for his significant service to the marine transport industry through the development of training facilities for ship handling and navigation, and to Peter Dundas-Smith of Nelson Bay for his significant service to the fishing, aquaculture and seafood industries through innovation, research and development.

The title of Order of Australia Medal, OAM, was bestowed upon Barbara Barry of Shoal Bay for her service to children through charitable organisations, to Eddy Bergsma of Fingal Bay for his long and outstanding service to lifesaving, to Heather King of Nelson Bay for service to veterans and to their families and to our community, to Janet Sharp of Bobs Farm for service to people with a disability, to Dr Rodney Starr of Medowie for his service to veterinary science, to professional organisations and to the community, and to my long-time friend Maitland Mayor and former state member for Maitland Peter Blackmore for service to local government and to the community of Maitland as a whole.

On behalf of all of my constituents I would like to congratulate these recipients for the exceptional work they have done in our community. They inspire others to achieve greatness. They have set an agenda and a pathway for others to follow.

Budget

Mr MITCHELL (McEwen—Second Deputy Speaker) (13:39): I spoke in parliament last week on the impact of the Prime Minister's $30 billion cuts to education and what they mean to families in McEwen. For my electorate the Prime Minister's cuts will see one in seven teachers sacked, cut the average school budget by $3.2 million and slash support by about $1,000 per student. For other electorates the impact will be just as bad. The Victorian government estimates the cuts to be the same as sacking 8,000 teachers or 10,000 allied health staff, like psychologists, speech pathologists, welfare workers and physiotherapists.

The Prime Minister's $57 billion cuts to hospitals will be devastating for patients and disastrous for public hospitals. In Victoria alone these cuts are worth $17 billion or the equivalent of closing two major hospitals and dropping some 23,000 elective surgeries each fortnight. Closing two major hospitals, like the Northern Hospital on the edge of my electorate or even the Royal Children's Hospital, would be untenable and disastrous.

Not only that; Medicare is also that understaffed that it is behind in assessing approvals for doctors. An assessment KPI of 28 days has now blown out to over 40. This means that practices like the Whittlesea family practice in my electorate, through no fault of its own—only the incompetence of this government—could be forced to shut down because it cannot access doctors. This is not an isolated case.
The Turnbull government needs to get up and fix this. Our health system is stretched and the cuts will make it worse. When it comes to universal health care only Labor can be trusted with Medicare and only Labor can be trusted to deliver health and education systems. *(Time expired)*

**Parker, Councillor Pam**

Mr BUCHHOLZ (Wright) (13:40): I rise to remind members of a catchphrase that is very popular in Queensland—‘Gotta love Logan’, which was made famous by no other than Mayor Pam Parker. In the upcoming local government elections Pam will not be contesting the seat of mayor. I stand to record her contribution in this national place and into the history books of Hansard for all eternity.

She has done an outstanding job. If you have met Pam Parker, you would know that her enthusiasm is nothing but infectious. In fact, I will be glad to see the back of her because when she comes to this place she bashes my ear about infrastructure funding and she bashes my ear about wanting communications funding. She is a wonderful advocate for the City of Logan. She advocates that with the amount of work that she did in that electorate over her last eight years as mayor and 19 years as a councillor she has made a contribution of between 45 and 50 years. Again her enthusiasm is infectious. She has done an enormous job on lifting the city's image. However, all and sundry in this place will remember the tragedy that she oversaw of the horrific house fire which resulted in 11 deaths. Pam was recorded as saying that it was the saddest day in Logan's history. She has overseen council amalgamations, budgetary reform, water restructuring, cultural revitalisation and large-scale infrastructure projects. Logan is one of the fastest-growing areas. *(Time expired)*

**Budget**

Ms RYAN (Lalor—Opposition Whip) (13:42): I rise today to talk about the $80 billion cuts to education and health, to our schools and our hospitals, that of course was confirmed when MYEFO came out. We could forgive those in the chamber and the public for not recognising that that had been confirmed because of course we have had a silent Prime Minister on this issue. He has had very little to say after MYEFO and has had very little to say since we came back to this chamber about education or health. In fact, the only thing I have heard him say at the dispatch box about education sounded like he was reading a former Prime Minister's speaking notes. He made claims about increasing funding when we all know that there is a $38 billion cut to schools funding being delivered by this government. They have not changed their minds about those cuts to health or those cuts to education.

This is really important in my electorate, not just for our schools but also for our hospital. Our hospital is getting a funding injection by the state government to renew it and get it fit for the size of the community that it serves and this government wants to starve that hospital of the money it needs to service our community when it is eventually finished and meeting our needs. This government needs to get serious about the things that are important to the people in this country. What they have been doing is making sure that some people do not pay their fair share while asking others to pay more and more or to go without the necessities of life. They continue with tax concessions and they are paying polluters. Get serious!
Mr CHRISTENSEN (Dawson—The Nationals Deputy Whip) (13:44): In the past two years more than 20,000 jobs have been lost in the resources sector, devastating many small towns and regional centres, including Mackay and Bowen, where an estimated 7,000 jobs have been lost. Dangling in front of Mackay locals is the biggest road infrastructure project in the region's history, representing 600 jobs and half a billion dollars of mainly federal government investment.

The federal Liberal-National government allocated $448 million for the Mackay Ring Road in the budget two years ago. We made a commitment to fast-track that funding. But the project, along with the 600 jobs, has been in limbo for a year and the Queensland Labor government wants it to remain in limbo for another year. Labor's refusal to fast-track planning and design of the project—confirmed, again, today with a letter to the editor in the local media from the Minister for Energy and Water Supply, Mark Bailey—rings hollow with local people and also with industry experts.

A senior engineer involved in design and construction of road and rail projects in New South Wales has advised me the time being taken with the Mackay Ring Road is inconsistent with industry standards for planning and design work. So when Premier Annastacia Palaszczuk meets with a subcommittee of the cabinet in Mackay, tomorrow, the community will have one very important question for her: why do you refuse to fast-track the Mackay Ring Road and the 600 jobs that could be created from it?

Ms OWENS (Parramatta) (13:45): In the last term of the Labor government, Labor started to implement the most comprehensive reform to school funding in decades. Gonski, as it was known, increased funding to schools based on needs of the children and was embraced by parents, teachers and schools, both public and private. Perhaps that is why on the eve of the election Tony Abbott, after arguing against it from months, pledged to match Labor's policy. But we all remember that the policy was cruelly broken within weeks and the government ripped $30 billion out of our schools. In context, that is about $231 million for Parramatta schools—over a decade—ripped out by the Abbott government. You might be forgiven for not knowing that between Christmas and New Year new Prime Minister Turnbull whispered that he was recommitting to these cuts. Some 2½ years after they were made, he recommitted to those $30 billion cuts.

I would like to make Labor's position on these cuts really clear. We will reverse these cuts and deliver the Gonski agreement in full and on time. We will restore the funding that the Abbott-Turnbull government has cut and guarantee funding certainty for our schools, both public and private, so that they can deliver the outcomes children need. We will fund our children based on need and, unlike this government that gave money to states without strings attached, we will make sure the money reaches our schools for the benefit of our children. The difference between the two parties is clear. You can trust Labor on education.

Broadband

Mr MATHESON (Macarthur) (13:47): I am pleased to announce that residents of Appin, in my electorate of Macarthur, are now one step closer to accessing the National Broadband Network, with construction on the fixed line network now underway. This is a huge milestone
for Appin, with certainty for homes and businesses as they prepare for superfast broadband. Network designs have been completed and residents will soon see contractors working, in the streets, in the coming weeks. With the help of the Turnbull government's ongoing reform of the NBN project, super-fast broadband is being rolled out quickly, more cost effectively and with minimal inconvenience to households.

The NBN project will provide much needed relief for the region, which, in some areas, has poor broadband infrastructure. Speeds on the new network will easily support high-definition streaming on multiple devices at once. I say to the residents of Appin who have had to wait for a long time with slow, unreliable and intermittent internet for many years: get excited about receiving superfast broadband.

I am proud that together with the Turnbull federal government the NBN has already been delivered to over 20,000 homes in Blair Athol, Blairstown, Bradbury, Campbelltown, Claymore, Eagle Vale, Enngonia Park, Glen Alpine, Kentley, Leumeah, Rosemeadow, Ruse, St. Helens Park, Woodbine, Airds and Ambarvale. I am also proud to announce that 15,700 homes and businesses in Camden, Cobbitty, Currans Hill, Elderslie, Gregory Hills, Harrington Park, Kirkham, Menangle Park, Mount Annan, Narellan, Narellan Vale, Smeaton Grange and Spring Farm can expect to notice the preparation and build of the NBN in the second quarter of this year.

I look forward to seeing more and more homes and businesses, in Macarthur, embracing the innovation and potential of the NBN in the coming months.

**Health Care**

*Mr STEPHEN JONES (Throsby) (13:48):* You can gauge the priorities of a person and a government by the things they talk about and the places they visit. After five months this Prime Minister has told Australia where his priorities are and where they are not. After five months we have not had one serious speech from this Prime Minister and not one serious announcement in the areas of regional Australia and of health.

He could be forgiven if he had a bunch of ministers who had these issues in hand but, clearly, he doesn't. We have a health minister who thinks she can review her way to history. We have a regional health minister who, by her own admission, is irrelevant to every big decision that is being made in the health portfolio. And we have a human services minister who, when he is not on his way to China, he is floating plans to privatise Medicare. These are not policies for the health system.

He could be forgiven if everything was going well. But it is not. After $57 billion worth of cuts to the health system we are starting to see the results: waiting times in our emergency departments are blowing out to unacceptable levels, costs are going up and the services are getting worse. It is time to this Prime Minister to focus on the things that matter. Privatising Medicare and increasing co-payments is not a policy for health and the people of Australia deserve more from this Prime Minister.

**Banks Electorate: Chinese New Year**

*Mr COLEMAN (Banks) (13:50):* On Saturday, 6 February, I hosted the annual Banks Chinese New Year Celebration at Club Central, Hurstville. More than 300 people attended this special celebration and it was wonderful to have my friend the member for Berowra there as our special guest, being the great friend of the Australian-Chinese community that he is.
There were many great performances on the day. The Sydney Musicool Ensemble sang the national anthem and performed a number of pieces of classical music. The Academy of Chinese Culture sang and performed some traditional poetry as well, and there were a number of dances from Asian Women at Work. It was a very well received event.

I would like to thank Club Central, at Hurstville, for the professionalism with which their staff hosted it. I would also like to thank special guest Deputy Consul-General Lyu, of the People's Republic of China, who had only been in Australia for two days but found the time to attend our event. I would also like to thank the many community organisations that were there on the day: CASS, BLIA, Can revive and a number of others. To all my constituents of Chinese background, I take this opportunity to wish them a great Chinese New Year for the Year of the Monkey.

**Education Funding**

Ms MacTIERNAN (Perth) (13:51): It is curious that those who argue most that money is not so important in education spend a fortune in educating their own children in private schools. The Prime Minister has told us that money is not the answer, while strongly defending government funding to elite schools in his maiden speech. These elite schools clearly understand what resources can do. The Geelong Grammar School website tells of its first-class facilities, including a wellbeing centre—with a 10-lane indoor swimming pool, multipurpose indoor courts, gymnasium and dance/yoga studios—a medical centre, an equestrian centre, sailing and rowing facilities, a state-of-the-art library with more than 100,000 books and even a recording studio.

In contrast, Gonski found that many government schools suffered from a lack of capital investment, which:

… impacts on the educational opportunities afforded to the students, as well as the attitudes and morale of students, parents and the broader community.

The panel found that:

… a significant increase in funding is required across all schooling sectors, with the largest part of this increase flowing to the government sector due to the significant numbers and greater concentration of disadvantaged students attending government schools.

They found that the performance gap in Australia is far greater than in any other OECD country. It is not just about the money, but, as the rich schools know, it is money— *(Time expired)*

**Taronga Western Plains Zoo**

Mr COULTON (Parkes—The Nationals Chief Whip) (13:53): I would just like to pause in the class warfare now to talk about some good news. I would like to congratulate the Taronga Western Plains Zoo in Dubbo for winning the unique accommodation category in the Qantas Australian Tourism Awards gala ceremony held in Melbourne on Friday night. This award acknowledges the incredible efforts of everyone at the zoo in operating overnight experiences to a global standard.

The zoo has undergone some significant changes over the past three years, including the creation of Billabong Camp, the redevelopment of the Zoofari Lodge and the opening of self-contained accommodation at the Savannah Cabins. All of these changes have helped contribute to the zoo providing visitors with unique opportunities to wake up in the wild.
I would recommend going to Dubbo to anyone. They can camp at the zoo. It is a world-class facility not only in the magnificent city in the Dubbo but in that you can wake up in the wild surrounded by wild animals and have an experience that is unique.

I would like to acknowledge Matthew Fuller, who has been with the zoo for over eight years, and the fantastic contribution he has made over this time. I would also like to acknowledge the zoo and its staff for the passion they have for making Taronga Western Plains Zoo at Dubbo a world-class tourism attraction.

**Health**

Ms KING (Ballarat) (13:54): This Liberal government promised before the last election that there would be no cuts to health and no cuts to education, but the Turnbull government's $80 billion of cuts to hospitals and to schools will be devastating to schools and disastrous for our public hospitals. The $57 billion cuts from hospitals will increase emergency department waiting times, increase elective surgery waiting times and reduce the number of hospital beds across the country, and prior to Christmas, in his very first economic statement, the Prime Minister ripped a further $2.1 billion out of the health budget by slashing bulk billing for diagnostic imaging and for pathology and cutting crucial health workforce training programs.

Every state and territory is suffering as a result of this Prime Minister's decision to tear up Labor's hospital funding agreements. Just today, the South Australian Premier, Jay Weatherill, has warned his state may be forced to close hospitals. Victoria's health minister, Jill Hennessy, has warned:

Those cuts will have a devastating impact on Victorians who are sick and who need health care …

Mike Baird, the Premier of New South Wales—not one of ours—has said that this will not be sustainable for public hospitals across this country. This government's only answer when it comes to health policy is to slash and burn and to put all of the costs onto patients. Public hospitals deserve better. Our schools deserve better than this government whose only answer is to cut, cut, cut.

**Leichhardt Electorate: Freedom Prosthetics**

Mr ENTSCH (Leichhardt) (13:56): I am not cutting; I am actually on a positive note. This Friday I am looking forward to opening a new business in Cairns: Freedom Prosthetics. Co-founder Neil Greening is an amputee himself and knows firsthand the trials and tribulations of losing a limb, which has made him passionate and dedicated about providing an excellent service to the amputee community. The prosthetist, Jerry Vella, holds a master's degree in clinical prosthetics and orthotics and has all the necessary skills and experience to use the state-of-the-art 3D scanner and Omega 3D carving machines. This technology cuts the manufacturing time for prosthetic limbs of from three to five weeks down to an extraordinary eight hours. It is quite amazing.

The biggest benefit to the local community is the fact that Freedom Prosthetics is the only prosthetics facility open five days a week in Far North Queensland. Furthermore, they will be offering after-hours service and weekend appointments as required so amputees no longer have to wait months for an appointment for even a simple adjustment. Most people will never appreciate just how life changing it is for a person with a limb disability to have a good prosthetic and prosthetic support services. Freedom is going to be a fantastic facility for
people in our local amputee community, and I am excited that I will be showing my support on Friday.

**Education Funding**

*Mr GRAY (Brand) (13:58):* I am glad the Prime Minister has arrived because I can inform the Prime Minister of the massively damaging impact of the government's cuts to schools and hospitals in Rockingham and Kwinana. The Rockingham hospital is a place that has been, over the course of the last 30 years' continual investment by Commonwealth and state governments, a piece of community infrastructure that is extremely important to the health needs of constituents in Rockingham and Kwinana.

We see the impact of government cuts to services, not just in our hospitals but also in our schools. In our primary schools and in our high schools we see the heartless, thoughtless impact of cuts from this government that have now moved into their third year. They are cuts which affect students at primary school level and which affect the career prospects and high school prospects of students in years 8, 9, 10, 11 and 12.

In Rockingham, the impact of this has been so profound that we have continually had to advise teachers and students that the day will come when the responsibility of our Commonwealth government to lift the burden from families to provide good education, outstanding teachers, support in our schools and also the right support for our communities will come. That will come in the form of a Labor government. That will come in the form of the education plans that we have outlined and fully funded. It will come with the election of a Shorten Labor government.

**World Cancer Day**

*Mrs PRENTICE (Ryan) (13:59):* With one person diagnosed with cancer every 20 minutes in Queensland, we need to continue to advocate and raise awareness about this horrible disease. Last Thursday, 4 February was World Cancer Day, focusing on the fact that everyone has a part to play in reducing the burden of cancer, whether it is by speaking out, supporting others or making healthy lifestyle choices. One hundred and thirty thousand people will be diagnosed in 2016, but two in three patients will survive cancer. The biggest risk for breast cancer is ageing, which I found out recently when my sister was diagnosed and survived a mastectomy. I wish I could be there to support you.

*The SPEAKER:* I thank the member for Ryan. In accordance with standing order 43, the time for members' statements has concluded.

**MINISTERIAL ARRANGEMENTS**

*Mr TURNBULL (Wentworth—Prime Minister) (14:00):* The Minister for the Environment will be absent from the House for the rest of this week on official business in the United Arab Emirates and the Minister for Trade and Investment will answer questions on his behalf.

**QUESTIONS WITHOUT NOTICE**

**Medicare**

*Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00):* My question is to the Prime Minister. The front page of today's *West Australian* newspaper reveals that the government has a radical plan to privatise Medicare and the Pharmaceutical Benefits Scheme.
The SPEAKER: The Leader of the Opposition will not use props in questions.

Mr SHORTEN: Will the Prime Minister categorically rule out privatising Medicare or the PBS? Yes or no?

Government members interjecting—

The SPEAKER: Members on my right! The Leader of the House and the Treasurer! Before I call the Prime Minister, I remind the Leader of the Opposition that the use of props in question time is not within the standing orders, even if he receives encouragement from the other side.

Mr TURNBULL (Wentworth—Prime Minister) (14:01): I was concerned about the apparent disconnection between the prop and the Leader of the Opposition's question because he was holding up a copy of The West Australian which appeared to include a story about Colin Barnett and a stadium—

The SPEAKER: The Leader of the Opposition!

Mr TURNBULL: which I am sure is very interesting but probably not one that I can express an opinion on. Let me just reassure the Leader of the Opposition that the government is, as always, totally committed to Medicare. What we are looking at, as we look at in every area, is improving the delivery of government services, looking at ways to take the health and aged-care payment system into the 21st century. This is about making it simpler and faster for patients to be able to transact with Medicare to get the services they are entitled to. A responsible government—

Ms Rowland: No-one believes you!

Ms Rishworth interjecting—

The SPEAKER: The member for Greenway and the member for Kingston will cease interjecting.

Mr TURNBULL: A responsible government, a 21st century government, looks always at innovative ways to improve every element of the government services and to make sure they keep pace with the technologies of today. Every day, all Australians—or most Australians; I am sure all honourable members here—are using their smart phones to transact business online, and yet Medicare has still not kept pace with that, and that is a vital part of the progress and that is what the minister has been examining. That is why the Department of Health is investigating ways, as the minister said today, to digitise its transaction technology for payments to what it describes as a more consumer-friendly format—a modern, contemporary format.

The opposition claim to share our passion for innovation. They claim to be a 21st-century party, but yet, every step of the way, they are obstacles to progress.

Opposition members interjecting—

The SPEAKER: The members for Franklin and Ballarat!

Mr TURNBULL: They will not support the government in our reforms which will enable us to have the means to secure and protect the jobs of young Australians—our children and our grandchildren—in the 21st century. We are for progress.

Mr Husic interjecting—
The SPEAKER: The member for Chifley!

Mr TURNBULL: We are for improving the experience of patients, of consumers, of citizens, and the opposition, as usual, is standing in the way.

The SPEAKER: Before I call the member for Murray, I ask members who have been asked to cease interjecting and who have been warned to reflect on my earlier statements. They still apply. The member for Moreton was interjecting through that answer. He was warned multiple times yesterday and, in fact, ejected. The member for Franklin will also cease interjecting.

Innovation

Dr STONE (Murray) (14:05): My question is to the Prime Minister. Will the Prime Minister update the House on the government's initiatives to boost workforce participation, encourage business investment and innovation, and deliver Australia the infrastructure of the 21st century? Why are these policies vital for generating jobs and growth for all of Australia?

Mr TURNBULL (Wentworth—Prime Minister) (14:05): I thank the honourable member for her question. The only way in which we can be assured of our children and grandchildren having good, well-paying jobs in the future is if we are more innovative, more productive, more competitive, more technologically advanced and sophisticated. Those are vital requirements for success in the 21st century. And, to build on the 300,000 new jobs created last year, we need to be more innovative and more agile than we have been to date. Our economy is changing all the time. The global environment is changing. It is full of opportunities, but we have to seize them and we have to be innovative to do so.

So, in December, we unveiled our $1.1 billion National Innovation and Science Agenda. It will encourage greater cooperation between researchers and industry. It will ensure that great ideas get to market sooner. It will support enterprising start-ups. That followed on a $5½ billion package for small business that backed small business to grow their enterprises and employ more Australians.

We also need to boost workforce participation, leveraging our greatest asset, our most valuable capital: our human capital. And so our $3.2 billion childcare subsidy makes it easier for parents, particularly those on low incomes, to get back into work. Participation by women in full-time work is right now at an all-time high, and we have to do all we can to ensure that as many women as possible are able to bring their talents to our workplaces.

We need to ensure we have a more competitive economy, and that is why we are adopting the recommendations of the Harper review to free up domestic markets, delivering an effective and efficient financial system.

Ms Butler interjecting—

The SPEAKER: The member for Griffith!

Mr TURNBULL: Australia is part of the most exciting, rapidly developing part of the world—here in the Asia-Pacific. This is where the action is.

Ms Butler interjecting—

The SPEAKER: The member for Griffith!

Mr TURNBULL: And through the efforts of the Minister for Trade and Investment we have opened up unprecedented access for Australian businesses with free trade agreements.
with Japan, Korea, China and the Trans-Pacific Partnership, of which we spoke only yesterday. In addition to that, a $50 billion infrastructure package brings enormous economic and social benefits, improving liveability in our cities, reducing travel times and boosting productivity. Right across the board, every lever of this government is pulling in the direction of growth and jobs. That is our commitment; that is our future.

**Medicare**

**Pharmaceutical Benefits Scheme**

Ms KING (Ballarat) (14:08): My question is to the Minister for Human Services. The front page of today's *The West Australian* newspaper reveals that the government has a radical plan to privatise Medicare and the Pharmaceutical Benefits Scheme. Won't this mean that the electronic health data of Australians, such as Medicare information, could be sold to a foreign company?

Mr ROBERT (Fadden—Minister for Veterans' Affairs, Minister for Human Services and Minister Assisting the Prime Minister for the Centenary of ANZAC) (14:09): As the Minister for Human Services, I do not own the policy space for health. That is, of course, owned by the Minister for Health.

*Ms Butler interjecting—*

The SPEAKER: The member for Griffith is now warned!

Mr ROBERT: I do run the computing technology that pays for Medicare, for the Pharmaceutical Benefits Scheme and, of course, for aged-care payments. Those payments are something like a combined value of $31 billion. We are talking about 600 million annual transactions. It is a massive transaction space.

*Ms Butler interjecting—*

The SPEAKER: The member for Griffith has been warned! That is her final warning.

Mr ROBERT: The problem in the health transaction space is that we are in the 21st century and we use 21st century technology. All of us use 'tap and go'. All of us use our mobile phones in terms of how we transact. With multiple billions of dollars of payments, the problem is that we are now so tied to a paper-based system. So what the government wants to do is investigate areas where we can actually use technology to benefit the payment of health systems. The problem is that those opposite are so addicted to quill-and-ink, they actually want to keep us back in a paper-based environment.

*Ms Collins interjecting—*

*Ms King interjecting—*

The SPEAKER: The member for Ballarat! And I warn the member for Franklin!

Mr ROBERT: There is an opportunity now for the government to explore options to use 21st century technology so we can live and operate in a 21st century world. I would have thought those opposite would have embraced a digital revolution when it comes to payments of health data. I would have thought those opposite, in their 'year of idea'—or has that passed into last year—would embrace the idea to use technology to make lives easier for Australians.

If we look, for example, at Centrelink's Express Plus application, 68 million transactions are done by this Express Plus app every single year. So if we can use an app for people to...
engage with Centrelink and the welfare system, surely those opposite can open their eyes and try to embrace a future where technology can help everyday Australians. But the question for this parliament is: are those opposite up to the technology challenge? I think that their question reveals that the answer is a big, fat no.

DISTINGUISHED VISITORS

The SPEAKER (14:11): I would like to inform the House that we have present in the gallery this afternoon a delegation from the European Parliament, led by Mr Axel Voss. On behalf of the House, I extend a very warm welcome to you, to question time in the House of Representatives.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy

Mr HASTIE (Canning) (14:12): My question is to the Treasurer. Will the Treasurer update the House on how Australia is successfully transitioning from the mining investment boom to a more diversified economy? What are the trade opportunities, especially with the transitioning Chinese economy, for Australian exports?

Opposition members interjecting—

Mr MORRISON (Cook—Treasurer) (14:12): I think the member for Canning for this very important question about the Australian economy. Those opposite seem to scoff at the suggestion that the Australian economy is transitioning and find that a subject for mirth. I know that the member for Canning and members on this side of the House are very focused on the fact that Australians are out there working, saving and investing every single day to ensure that we are making this transition to a more diversified economy, which is a more job intensive growth economy for the future. While globally there is much uncertainty, people at home will be very well aware of that. And the volatility in financial markets, sadly, continues. We are very well aware of all of these things, but the Australian economy is successfully transitioning.

Resources and manufacturing remain important to the Australian economy; and, as the minister knows, we are seeing volumes in resources continuing to increase with exports. Even in manufacturing, the AIG survey shows seven months of consecutive expansions. What we do know is that Australia's growth is rebalancing. Paul Bloxham, the Chief Economist from HSBC, has made this point. He says that this is clearly a positive development. He said that growth prospects are now much more tied to the financial health of the Asian consumer and their willingness and ability to buy Australian services and assets. He says that the non-mining sectors are also much larger and much more labour-intensive sectors than mining, so the rebalancing act is creating jobs. This is a good thing. It is true that Chinese growth now, at 6.9 per cent, is less than it was a number of years ago. But it is growing off a much higher base. And the Chinese economy is transitioning, just as ours is. And that transition is seeking where we are going as an economy as well. That means so many more Chinese moving into the middle classes and creating new opportunities for exports of services and other goods and products, which will continue to drive growth and jobs in this country, and that will be accelerated by the fine work of the minister for trade with the ChAFTA, opening up the
opportunities, whether it is milk exports, beef exports, services exports, tourism, education—all of these things, all benefiting from the growth strategy of this government.

As to what that means at the end of the day: we have seen, as the minister for agriculture will know, a rise in beef exports. Beef exports were almost $1 billion in 2015, and we have seen a six-fold surge in beef sales to China over the last three years. This is a good thing.

When Australians look at the global uncertainty that is out there and see the volatility that is taking place, and when they look at the real economy of Australia and see the strong sense of economic management which is focused on keeping the fundamentals in place, they can have confidence, as they do. *(Time expired)*

*_Mr Mitchell interjecting*_

The SPEAKER: The member for McEwen will cease interjecting.

**Minister for Human Services**

Mr MARLES (Corio) (14:15): My question is to the Minister for Immigration and Border Protection. People leaving Australia declare that the information they provide on the Outgoing Passenger Card is: ‘true, correct and complete.’ On his Outgoing Passenger Card for his trip to China, what did the Minister for Human Services declare was the main reason for overseas travel—‘Business’, ‘Visiting friends or relatives’, ‘Holiday’, ‘Employment’ or ‘Other’? If the minister does not have this information now, could he please advise the House once it is accessed?

*Opposition members interjecting*_

The SPEAKER: Members on my left will cease interjecting.

Mr Pyne: Mr Speaker, on a point of order: the standing orders are very clear—

The SPEAKER: The Leader of the House will resume his seat for a second. Members will be well aware that I want to hear from the Leader of the House and the Manager of Opposition Business, and, when I hear from them, I actually want to be able to hear the words they are saying. So I am going to call the Leader of the House and listen to him.

Mr Pyne: Mr Speaker, on a point of order: the Standing Orders and the *House of Representatives Practice* make it very clear that ministers cannot be asked questions about matters that are not within their own responsibility as ministers. This is a question about a private matter to do with the minister which could not possibly be within the knowledge of the minister for immigration. The question yesterday was out of order. This could not possibly be in order because the minister for immigration could not know the answer to that question—nor is it the minister for immigration's business to know the answer to that question, which is a private matter. This is a fishing expedition by the opposition. A question about whether someone had a traffic infringement notice because they ran a red light would be the kind of question these people are trying to ask in question time—

The SPEAKER: The Leader of the House has made his point.

Mr Pyne: This is not a place for fishing expeditions. This is a place for facts and issues.

The SPEAKER: The Leader of the House has made his point.

Mr Burke: Mr Speaker, I rise on the point of order. The Leader of the House raises two issues: (1) whether it is within the responsibility of the minister being asked, and (2) whether
it is reasonable for the minister to know the answer to the question. On the first of those issues, there is no doubt the minister has responsibility for these cards—absolutely no doubt. It is squarely within his responsibility. On the second part, as to whether it is reasonable for him to know, I draw two things to your attention: (1) the question actually says at the end, 'If you don't have that information, will you undertake to provide it to the House?' And (2) yesterday we had a question on these exact cards with respect to another country, and the minister for immigration would have easily known that a question of this nature was coming—

Mr Whiteley interjecting—

The SPEAKER: The member for Braddon will cease interjecting.

Mr Burke: and may well have the information with him now.

Honourable members interjecting—

The SPEAKER: Members will cease interjecting. The first part of the question certainly went to the minister's responsibilities. I have listened very carefully to both the Leader of the House and the Manager of Opposition Business. It cannot really be for me as Speaker to judge whether the question is reasonable or not. Ministers are quite entitled to answer in the way they see fit and to provide further information later if they wish to, or to answer the question on notice indeed. So I am going to call the minister.

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (14:19): Thank you very much to the shadow minister for his question. Obviously there are two points to make here. The first is that there are millions of people in movements across the borders each year, and I have not brought the passenger cards down to question time with me—nor could I expect to have availed myself of that information, and nor would it be appropriate for me to do so, because of the privacy issues involved. I think that demonstrates that this question was nothing more than a stunt.

The second point I would make—which is a very serious one—is that, for several days now, the government has been contemplating how to deal with very serious issues, including those which the member who asked this particular question has been doing media on but has not sought to ask one question in this place on. The fact that he would waste his time on this stunt question and not ask a substantive question on the significant issue of the day, which is how this government, compassionately—

The SPEAKER: The minister will resume his seat. I was going to make the point—and I will make it now, even though the minister has finished his answer: I am allowing tough questions, but, when those questions are asked, I am going to hear the answers without a wall of interjections, or I will deal with those who are interjecting.

Infrastructure: Hell's Gate Dam

Mr KATTER (Kennedy) (14:20): Prime Minister, the Hell’s Gate dam/UBR irrigation scheme is the only project that has received federal funding—bipartisan. Queensland and New South Wales now mandate ethanol in fuel. This, with new cattle feed technology, makes irrigation profitable. In light of discussions between Queensland’s Premier and America on its green fleet—Pacific fleet biofuelling—would you not see UBRIS/Hell’s Gate as the most immediate project for Minister Frydenberg’s $5,000 million northern Australia fund?
Mr Turnbull (Wentworth—Prime Minister) (14:21): I thank the honourable member for his question. I understand he has been discussing this matter with the minister. I have also discussed this matter of the Hell’s Gate project with the member for Herbert, who is very enthusiastic about it, and he advises me that a dam there would not only provide gravity-fed water security to Townsville but would also enhance water storage right along the Burdekin River and would open up agricultural possibilities in the north. I understand that Townsville Enterprise has a proposal submitted for $3.9 million of the $25 million fund, and the minister is acutely aware of the project and its importance for North Queensland. So I thank the honourable member for raising it.

As the honourable member knows, the government has established a $500 million National Water Infrastructure Development Fund to support innovative water infrastructure projects, including new dams and irrigation schemes. Twenty-five million dollars, of which I spoke a moment ago, has been allocated to assess the feasibility of state and government proposals. I understand that over 50 applications have been received and this is one of them, and the largest number of them come from Queensland. They are being assessed by an expert independent technical committee and I understand that the successful applications are expected to be announced in April this year.

As it is up to state and territory governments as to whether they wish to disclose further details of their applications, I would suggest that the honourable member continue his discussions with the Queensland government as well as with the minister in respect of this matter. There are also opportunities, as the honourable member knows, for support for water projects under the Northern Australia Infrastructure Facility announced in the budget. I can assure the honourable member that there is great passion for the development of water in the north of Australia right through our side of politics. We understand that water is the source of life, we understand that the greatest potential of untapped water resources is in northern Australia, and of course the challenge is to find the locations and the means to tap that water efficiently and cost-effectively. That is why this is being approached. All of these applications are being looked at in a very rigorous manner. I can just encourage the honourable member to continue his advocacy for the projects that he favours.

Global Energy

Mrs Griggs (Solomon) (14:23): My question is to the Minister for Resources, Energy and Northern Australia. Will the minister update the House on the visit today of the executive director of the International Energy Agency, Fatih Birol? Minister, how will growing global demand for energy support jobs and growth in Australia?

Mr Frydenberg (Kooyong—Minister for Resources, Energy and Northern Australia) (14:24): I acknowledge the member for Solomon because she, more than most, understands the importance of global energy markets to jobs and growth in her electorate with the $50 billion Ichthys LNG Project, which has created more than 6,000 jobs. Today, Dr Birol, the executive director of the IEA, was in Canberra to talk about the global energy outlook. This followed a visit two weeks ago to Australia by the Indonesian energy minister and there will be a visit tomorrow from the Indian energy minister. Importantly, Dr Birol reaffirmed Australia’s place in the global energy supply chain as the No. 1 exporter of LNG by 2020 and the second-largest exporter in the world of coal. Also, Dr Birol explained that, despite the lower energy prices, there is increasing global demand for energy. Global demand for energy
will increase by a third between now and 2040. Demand for gas will increase by 50 per cent between now and 2014. And even though coal will be a smaller proportion of the overall global energy mix, it will still increase demand by 10 per cent between now and 2040. A reason for this growing demand for energy comes from our region—obviously China, Indonesia and Thailand—but also increasingly India. India has around 300 million people who do not have access to electricity or little access to electricity. Already, India's demand for energy has doubled since 2000. The Indian Express has very much a long way to run.

In addition to the increasing demand for fossil fuels, there is an increasing demand for renewable energy. In 2014, half of the new energy power generation in the world came from renewable energy. By 2040, 35 per cent of the global energy mix will come from renewable energy, up from 22 per cent today. This is good news for Australia. Dr Birol also praised Australia's contribution in Paris as both important and constructive.

The member for Solomon is absolutely right: Dr Birol's visit today is highly important. He has reaffirmed Australia's role in the global energy supply chain. He has reaffirmed that this increased demand, particularly in our region, will create thousands of jobs into the future and billions of dollars worth of export income, and it will also mean that we will continue to help millions of people be removed and alleviated from energy poverty throughout the world.

**Nimrod Resources**

**Dr CHALMERS** (Rankin) (14:27): My question is to the Minister for Trade and Investment. What assistance did Austrade provide Nimrod Resources in reaching its agreement with the Chinese state owned Minmetals? Was any assistance provided by Austrade leading up to or on the day of the signing ceremony in Beijing in August 2014 or in relation to any other events? Has Austrade provided any assistance to any other companies associated with Mr Paul Marks?

*Mr Fletcher interjecting—*

**The SPEAKER:** The Minister for Major Projects will cease interjecting.

*Mr Albanese interjecting—*

**The SPEAKER:** The member for Grayndler will cease interjecting. The minister has the call.

**Mr ROBB** (Goldstein—Minister for Trade and Investment) (14:27): In answer to the honourable member, the Prime Minister informed the House that he had sought all the information associated with the issues that have been raised on the other side of the House. When that information is available, I am sure that you will hear about it.

**Dr Chalmers:** Have you sought information?

**The SPEAKER:** The member for Rankin will cease interjecting.

**Innovation**

**Mr ALEXANDER** (Bennelong) (14:28): My question is to the Minister for Foreign Affairs. Will the very creative, innovative and talented minister please update the House on what the government is doing to promote Australia's creative and innovative talent overseas?

**Ms JULIE BISHOP** (Curtin—Minister for Foreign Affairs) (14:28): I thank the outstanding member for Bennelong for his question—
A government member interjecting—

Ms JULIE BISHOP: The handsome and outstanding member for Bennelong! I can say that. The Australian government is placing our creative and innovative talent and industries at the heart of our international engagement by promoting Australian talent, Australian people, Australian businesses overseas through our diplomatic posts. Our greatest natural asset is our people. Australians are highly regarded as creative, dynamic thinkers and innovative people. The Global Creativity Index at the University of Toronto ranked Australia No. 1 in terms of the most creative nation on earth. What we want to see is Australian companies gain access to overseas supply chains and networks and new forms of financing so that they can scale their operations from local to global.

Recently I addressed an audience in New York of investors, CEOs, hedge fund managers and financiers as part of Australia’s premier public diplomacy and economic diplomacy effort ‘G’day USA’. I highlighted a range of Australian start-ups and companies that are breaking new ground. The track record in innovation is outstanding. I used examples such as Google Maps, based on mapping technology built on Where 2, a company from Sydney. The first commercial drone delivery on US soil approved by the FAA was undertaken by Australian start-up Flirtey. I talked about Australian talent, Australian business and opportunities for greater Australian investment in New York, Washington and LA, promoting not only our engineers and our technicians but our musicians, designers, producers, publishers, architects, actors, directors and more.

A report by Enterprise Connect, which is a department of industry entity, shows that Australia’s overall creative economy through direct and indirect contributions delivers over $90 billion to the Australian economy annually, exceeding such industries as—I must say this, Minister for Agriculture and Water Resources—agriculture. But I do have a good example in that regard of where new thinking is transforming old industries. Colleagues might be interested in an Aussie start-up called Flow Hive, which has made harvesting of honey from a beehive as simple as turning on a tap on the beehive and collecting the honey as it pours out. The father-and-son team put this idea on the crowdfunding website Indiegogo and they hit their funding target within three minutes. They are now receiving $30,000 worth of orders per day and this has been called the greatest step forward for beekeeping in 150 years. This is Australian innovation taking on the world. (Time expired)

Ministerial Conduct

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:31): Thank you, Mr Speaker, for acknowledging earlier today the error you made yesterday.

The SPEAKER: The member for Sydney will come to her question.

Ms PLIBERSEK: My question is to the Minister for Foreign Affairs. Is it usual for ministers—

Government members interjecting—

Mr Nikolic interjecting—

The SPEAKER: The member for Sydney will resume her seat. Members on my right will cease interjecting. The member for Bass will cease interjecting. The member for Sydney has the call to ask a question.
Ms PLIBERSEK: My question is to the Minister for Foreign Affairs. Is it usual for ministers to meet with ministers or vice-ministers of foreign countries when travelling overseas without informing the Minister for Foreign Affairs or her department?

Mr Pyne: Mr Speaker, I rise on a point of order. Standing orders make it perfectly clear what questions can be about. We have always been reasonably generous in this House about the extent of questions and the reach that the parameters can be, but this is such a hypothetical question. Sometimes it might well be relevant to meet with people that you know personally; sometimes it may not be. How on earth can the foreign minister answer that question—"What is usual or not usual?" The opposition need to really tighten up their questioning if they expect to receive an answer in this place.

The SPEAKER: The Leader of the House has made his point. As I heard the question, it was about a usual practice from the perspective of the foreign minister for ministers travelling overseas. I am going to allow the question.

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:33): I thank the member for her question. It would depend on the circumstances. There is no widespread practice. It would depend on a case-by-case basis.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney is now warned. The member for Sydney has been warned a number of times; this is the member for Sydney's final warning.

National Innovation and Science Agenda

Mr COLEMAN (Banks) (14:34): My question is to the Minister for Industry, Innovation and Science. Will the minister inform the House how the government's National Innovation and Science Agenda will encourage angel investment in start-up businesses as we transition to a new economy? Why is this important for jobs and growth?

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (14:34): I thank the member for Banks for his question. In 2013 PwC published a report that estimated that start-ups have the potential to contribute $109 billion to our economy and 540,000 jobs between now and 2033. The National Innovation and Science Agenda that the Prime Minister and I launched last December is going to help make that happen.

One of the most important features of the National Innovation and Science Agenda is driving the capacity for start-ups to attract capital. The first theme of the National Innovation and Science Agenda is 'culture and capital'. We want to make it easy in Australia for start-up businesses to attract angel investors. That is why one of the most important measures are the tax changes around income tax and capital gains tax for angel investors in start-up businesses.

In that period after the initial start of a business sometimes businesses enter the so-called valley of death. For example, Atlassian, one of our most successful start-ups, started on two credit cards while being run by its two founders. Then they entered a period where they did not have angel investors supporting them. So what the National Innovation and Science Agenda is going to do in that period is encourage angel investors to invest in start-ups. We are going to provide a 20 per cent offset on investments up to $200,000 in any particular year. We are also going to provide a capital gains tax exemption for 10 years for assets held for more than three years in start-ups. This will really turbocharge the investments from angel investors in start-up businesses.
In fact, I was recently at Flinders University with the member for Boothby and the new candidate for Boothby, Nicolle Flint, to see the part of that university that is encouraging research commercialisation. They explained to us that they intended to bring forward the launch of their digital technology company, unIPartners, to July-August this year because of the government's commitment to innovation in the National Innovation and Science Agenda and because of the changes to taxation for angel investors around capital gains tax and income tax. This is based on the UK's seed enterprise model, but one of the most well-known stockbrokers in London, a man called Michael Meade from Numis stockbrokers, said that, 'Australia now has an innovation competitive advantage,' referring to the tax changes. For years, Britain has been ahead of us in this area on innovation. Now Australia has leapfrogged Great Britain, which means we will attract more investment, which will create jobs and growth in the economy, because we are getting on with the issues that the Australian public care about.

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (14:37): My question is to the Minister for Human Services. I refer to the minister's trip to China in August 2014 and the statement from the minister's office in *The Courier Mail*:

Mr Robert was on approved leave and attended in a private capacity.

On his outgoing Australian passenger card and on his official Chinese visa application form what did the minister declare the purpose of his trip was? Did the minister's declaration reflect that he was travelling in a private capacity?

The SPEAKER: Yesterday, when I gave a long and extensive ruling on this and referred to page 555 of *Practice*, I did quote that section that included:

A Minister may not be asked a question about his … former ministerial role.

Then I quoted the section:

However, in a case when a Minister had issued a statement referring to earlier responsibilities …

I said that was in 2006. Indeed, it was on 9 February 2006, and it was a question from the then Leader of the Opposition, Mr Beazley, to Mr Truss, the now Deputy Prime Minister, and indeed it did refer to a statement from the minister's office. So, in that sense, the member for Isaacs has followed that precedent that I identified. What I am going to rule though is that the question and the answer were very tight; it went to the statement itself. I am going to allow the member for Isaacs to rephrase the question, because, whilst the *Practice* is obviously very limited in this area, I do not believe it is within the intent of the *Practice* back then to allow a questioner to simply refer to a statement that has been made and then raise a different issue. So I am going to allow the member for Isaacs to rephrase the question.

Mr DREYFUS: My question is to the Minister for Human Services. I refer to the minister's trip to China in August 2014 and the statement from the minister's office in *The Courier Mail*:

Mr Robert was on approved leave and attended in a private capacity.

Did the minister's declaration on his outgoing Australian passenger card and on his official Chinese visa application form reflect that he was travelling in a private capacity?
Mr Pyne: Mr Speaker, I rise on a point of order. That question is exactly the same as the question he asked before. If I understand your ruling correctly, the member can ask about the actual statement that was made by the minister's office, but he cannot then, therefore, ask about a new subject—the Chinese visa application or the outgoing passenger card. There is no reference to the outgoing passenger card or the Chinese visa in the minister's office's statement to the media.

Mr Burke: Mr Speaker, on the point of order, the only question that is being asked with respect to those two documents is whether or not they reflect the statement that is being made by the minister's office. The only thing we are asking about those cards is whether or not they reflect the statement that he was travelling in a private capacity. I appreciate that if it asked about anything else on those cards it would be beyond your ruling, but it is only asking whether it was a private capacity.

The SPEAKER: I have listened very carefully and, obviously, as members saw yesterday, I have considered the matter extensively. I have examined the Hansard from that day back in 2006 that I think is a useful guide. There is a narrow opportunity to ask questions on the statement itself. Really, the Hansard from back then reflects that. So, on this occasion, I think that is beyond the intent still. I will give the member for Isaacs one more chance to tightly rephrase it, otherwise we will move to the next question.

Mr DREYFUS: My question is to the Minister for Human Services. I refer to the minister's trip to China in August 2014 and the statement from the minister's office in The Courier Mail: Mr Robert was on approved leave and attended in a private capacity. Minister, is this accurate?

Mr ROBERT (Fadden—Minister for Veterans' Affairs, Minister for Human Services and Minister Assisting the Prime Minister for the Centenary of ANZAC) (14:42): I thank the member for his question regarding a visit I undertook overseas in a personal capacity in 2014. Can I say to the House: I am confident I have not acted inappropriately and, as the Prime Minister said yesterday, this matter has been referred to the highest public servant in the land, Dr Martin Parkinson PSM, for review and I, of course, will fully assist the secretary in his review.

Water

Mr COULTON (Parkes—The Nationals Chief Whip) (14:43): My question is to the Minister for Agriculture and Water Resources. Will the minister update the House on what the coalition government is doing to support irrigated agriculture in my electorate of Parkes and around the country? How important are the government's measures for rural jobs and growth?

Mr JOYCE (New England—Minister for Agriculture and Water Resources) (14:43): I thank the honourable member for his question. The honourable member has one of the largest electorates in Australia—certainly the largest electorate in New South Wales—going from Broken Hill to Boggabilla and beyond. He, with his wife, Robin, understands agriculture, and especially irrigated agriculture, probably better than anybody else in this building. What we can see, and it is very prevalent in the honourable member's electorate, is that not only does Australia have the highest yielding cotton in the world, from the work that so many farmers
have done in that area but also his electorate has the highest yield in cotton in Australia. Irrigators in the electorate of Parkes have made significant contributions to this water reform, and the rollout of the Basin Plan, and we should always acknowledge the work that the farmers do, because they have carried so much of the burden of making sure that we get the plan right.

With the research and development dollars that we have spent, we have managed to get a return from the genetics of a cotton plant that is itself an inbuilt water efficiency mechanism. To think that years ago, when I started banking, we used to plan on about 2.7 bales to the acre; now we are getting yields in excess of five bales to the acre. This in itself is water efficiency par excellence. We also see that farmers are taking an adaptive approach to irrigation in what is a very variable climate, especially using supplementary water to irrigate other winter crops. The Commonwealth has supported the effort that this has gone towards with $13 billion. It is part of the Murray-Darling Basin process. Even now, we continue our rollout of further infrastructure.

Through the ag white paper, the honourable member would be happy to know that we have put half a billion dollars on the table—$50 million into feasibility studies. The response from the states has been overwhelming—well beyond the $50 million that is available. This $50 million includes $15 million to water resource assessments in Western Australia, the Northern Territory and Queensland; $5 million towards feasibility studies for Nullinga Dam in Queensland; and another $5 million to finalise the business case for the Ord stage 3. That is a great visionary program for our nation. We have also brought about a 100 per cent write-off for water reticulation. We have a $5 billion concessional loan scheme for Northern Australia. All the time we are looking at ways to roll out further water infrastructure to make sure that the boom that we currently have in soft commodities, in the world's demand for our fibre and our foods, is properly supported by government as we work hand in glove with the best farmers in the world—and the best farmers in the world are most definitely in the seat of Parkes.

The SPEAKER: Before I call the member for Isaacs—and I just picked up on the minister's provocative statement at the end of his answer—in the event this question is on the same topic as the last question he asked, I have explained myself extensively. The member for Isaacs should not expect endless opportunities to rephrase.

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (14:46): My question is to the Minister for Human Services. I refer to the minister's previous answer where he said he travelled to China in August 2014 in a personal capacity. Did the minister's declaration on his outgoing Australian passenger card reflect the statement he has just made to the House that he travelled in a personal capacity?

Mr ROBERT (Fadden—Minister for Veterans' Affairs, Minister for Human Services and Minister Assisting the Prime Minister for the Centenary of ANZAC) (14:47): I thank the member for his question and, with great respect, I refer the member to my previous answer.
Small Business

Mr BROADBENT (McMillan) (14:47): My question is to the Prime Minister. Prime Minister, there are 14,000 small business operators in my electorate that provide most of the 65,000 jobs. These employers take responsibility for their employees and therefore their families every day of their working life. They are farmers, suppliers, tool repairers, bakers and tradies. Prime Minister, how important are they to the nation's wellbeing, especially in my electorate of McMillan?

Mr TURNBULL (Wentworth—Prime Minister) (14:48): The small business men and women of McMillan, as the honourable member knows, are providing the drive, the energy, the jobs, the industry of his electorate and, indeed, right across the Australia—the whole country. We do not sing the praises of small businesspeople enough. We can never sing their praises enough. Peter Allen used to sing of the Tenterfield saddler. We should sing of the 'Pakenham haberdasher', who, of course, is the member for McMillan in his former evocation as Pakenham's nattiest draper and haberdasher. 'Broadbent's men's land' was the place any smartly dressed gentleman in that electorate would find their way and make sure they were properly turned out!

Right through our ranks we have small business men and women. It is in the DNA of the Liberal Party. It is a testament to the breadth and depth of the real world experience of our parties—the Liberal and National parties—that we have so many people who have worked in small business. Some of those businesses have become big businesses. But the fact of the matter is that we understand that that is where the beating heart of our economy lies and that is why we constantly support it. There are 1.3 million small businesses, of which 62 per cent involve people who are self-employed. Their contribution to employment is in fact the highest in the agriculture sector: 83 per cent of all jobs in agriculture are in small businesses. Small businesses account for more than half of all the jobs in the construction sector and almost half of the jobs in business services. Women account for 37 per cent of all business operators, including small business. They account for about a third of all small business operators in terms of sole traders, with up to 20 employees. Women business owners are increasing at a faster rate than their male counterparts. It goes in line with the growing female participation in the workforce.

We are constantly focused on supporting the small business sector. In the last budget: $3.3 billion of tax cuts for small businesses; $1.8 billion in accelerated depreciation measures. Think of what the free trade agreements have done for small business. In the honourable member’s electorate, Burra Foods in Korumburra, in the heart of South Gippsland, is a dairy ingredient processor which is going to see its sales to China grow to $60 million in 2017. That could not have happened without the commitment of our government to free trade and to small business prospering, driving jobs and driving economic growth right across the nation.

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (14:51): My question is again to the Minister for Human Services. I refer to the minister’s previous answer where he said he had travelled to China in August 2014 in a personal capacity. Did the minister’s declaration on his official Chinese visa application form reflect the statement he has just made to the House that he was travelling in a personal capacity?
The SPEAKER: Whilst that question is very similar to the last, it is worded differently. I will call the minister.

Mr ROBERT (Fadden—Minister for Veterans' Affairs, Minister for Human Services and Minister Assisting the Prime Minister for the Centenary of ANZAC) (14:51): I thank the member for his question and I refer the member to my previous answer.

Asylum Seekers

Mrs GRIGGS (Solomon) (14:52): My question is to the Minister for Immigration and Border Protection. Will the minister update the House on the benefits of strong and consistent border protection policy? Is the minister aware of any alternative approaches? What would be the consequences of altering the government's current strong and consistent approach?

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (14:52): I most sincerely thank the member for Solomon for her question. She is based in Darwin, the home of many of the assets of the Australian Border Force and many of the personnel who have worked over a number of years in the operation to stop the boats. As people in this place know and as the Australian public knows, it is very important that we stare down the threat of people smugglers. As the shadow minister for immigration in his speech to the conference of the ALP last year said, Labor regretted the loss of 1,200 lives as a result of Labor's failure in this public policy area when they were last in government.

The most important thing is to make sure that no government ever again repeats the mistake that Labor made when it was last in power. There were 8,000 children who went into detention when the Labor Party was last in power; we have reduced that number down to fewer than 80—in actual fact, it is 75. It is my determination to be the minister who gets kids out of detention—we will reduce that number to zero.

The people smugglers in Indonesia now are looking at the statements made by the Leader of the Opposition, by the Prime Minister, by myself, by state premiers—

The SPEAKER: The members for Herbert and for Barker will cease interjecting.

Mr DUTTON: and they are desperate to find an opportunity to recast that message into a message of opportunity for vulnerable people who would be willing to pay money to get on a boat, potentially lose their life at sea and to settle in Australia. I am not going to—and the government is not going to—allow that situation to arise. We have dealt with this threat; we have stopped these boats; we are turning back boats where it is safe to do so; we are dealing with people in a compassionate and humane way. We have for a long period of time, as I have informed the House before, had ongoing discussions with third countries to see whether or not we can provide settlement arrangements. But we have been consistent in saying that if you seek to come to Australia illegally by boat, you will not settle in this country.

The Labor Party has at its conference, and on some occasions since, repeated that message by saying, 'We are adopting the policy of the Liberal Party.' But that is starting to unravel: we see in the caucus of the Labor Party today and we have seen over recent days the Deputy Leader of the Opposition trying to carve herself out a separate space in relation to this important debate. Bearing in mind that, if the Labor Party wins the next election and Bill Shorten becomes Prime Minister, that person—the deputy leader—would be around the National Security Committee of cabinet and would be undermining what the Labor Party says its policy is today. What we know from the past is what we know now, and that is that the
Labor Party will go to an election, promising one thing and, if they are elected and get into government, they will do the dead opposite.

Opposition members interjecting—

The SPEAKER: Just before calling the member for Isaacs, I would remind the Minister for Immigration and Border Protection to refer to the Leader of the Opposition by his correct title.

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (14:55): My question is again to the Minister for Human Services. I refer to the minister's trip to China and his statement to the House: that he was in China in August 2014 in a personal capacity. But today, the Australian Financial Review reports that on the same trip the minister attended a Nimrod Resources signing ceremony. The minister also met with China's Vice Minister of Land and Resources. Did the minister meet with China's Vice Minister of Land and Resources as a private citizen?

Mr ROBERT (Fadden—Minister for Veterans' Affairs, Minister for Human Services and Minister Assisting the Prime Minister for the Centenary of ANZAC) (14:56): Let me thank the member for his question and I refer the member to my previous statement.

Tropical Diseases

Mr ENTSCH (Leichhardt) (14:56): My constituent question is to the Minister for International Development and the Pacific.

Opposition members interjecting—

The SPEAKER: Members on my left will cease interjecting. The member from Leichhardt has the call. I will start the clock again.

Mr ENTSCH: My constituent question is to the Minister for International Development and the Pacific. How is the government supporting efforts in my electorate of Leichhardt to guard against the resurgence of tropical diseases in the Pacific, such as tuberculosis and malaria?

Mr CIOBO (Moncrieff—Minister for International Development and the Pacific) (14:57): I thank the member for Leichhardt for his question. As co-chair of the Asia Pacific TB Caucus and also as co-chair of the Australian National TB Caucus, the member for Leichhardt has a longstanding interest in the challenges that extend to tuberculosis, and that is understandable. As a kid from Far North Queensland originally—I know the deep and abiding interest that the member for Leichhardt has in Far North Queensland—the area shares the tropical climate with many of the Pacific Island countries, for which I have portfolio responsibility. The challenges across this region are profound, especially in relation to health. That is why the Australian government has the Health for Development strategy and that is part of the reason that the member of the Leichhardt has been particularly passionate about the challenges that exist with tuberculosis.

If you look at PNG, for example: in the Western Province of Papua New Guinea, the challenge from tuberculosis is very significant—particularly the challenge around multidrug-resistant tuberculosis. I know anecdotally that we hear reports about people with tuberculosis who are starting to appear in some of our hospitals and our regional health network across
tropical Far North Queensland. In that respect, the Australian government is investing resources as well as knowledge—knowledge such as that which has been gained by the member for Leichhardt, and resources such as the $60 million that we put into the fight against tuberculosis.

It is not purely tuberculosis; it is also mosquito borne diseases, such as malaria. Australia has been working in a very cooperative way across the region to ensure that, where possible, we are able to lend our intellectual property through knowledge to the Pacific region in the fight against malaria. In that respect Australia is co-chair of APLMA—that is the Asia Pacific Leaders Malaria Alliance—and we are able to invest and put forward a road map to eliminate malaria, we hope, across the region by 2030. That work done through APLMA, which has been led by Australia, will help to save lives and make a very significant difference across the Pacific region as well.

But I am also pleased to say that in malaria we have seen some real work and development done in the member's electorate of Leichhardt. The Bill and Melinda Gates Foundation, perhaps one of the premier institutions when it comes to investing in global health initiatives, was able to put some $2.8 million into the Australian Institute of Tropical Health and Medicine. That institute, which I know the member for Leichhardt is a big fan and of, really exemplifies the kinds of innovative approaches that are being undertaken in Australia in relation to eliminating where possible the threat of malaria across the region. So I commend the people of Leichhardt and the member for Leichhardt for his long-term interest in tackling the scourge of malaria and tuberculosis.

Ministerial Conduct

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:00): My question is to the Prime Minister. The Prime Minister's own statement of ministerial standards puts a blanket ban on ministers providing assistance to companies in a private capacity. It is now clear that the Minister for Human Services did exactly that. Prime Minister, why is the minister still on your front bench and why will you not enforce your own standards? If you will not do that, what exactly do you stand for?

Ms Hall interjecting—

The SPEAKER: The member for Shortland will cease interjecting.

Mr TURNBULL (Wentworth—Prime Minister) (15:00): I am sure that the members of the Australian Workers' Union who worked for Cleanevent know what the honourable member stood for. They know how he stood up for them. They know how he dealt with full disclosure. They know how he took $25,000 from their employer while he traded off their penalty rates and did not tell them about the payments. That is what he knows about and he wants to lecture us about due process.

Let me tell you, this matter arose yesterday. It came up yesterday. Immediately I referred to it to the Secretary of the Department of the Prime Minister and Cabinet, Dr Parkinson, who is the appropriate official to investigate matters of this kind under the ministerial standards.

Mr Husic interjecting—

The SPEAKER: The member for Chifley is warned.
Mr Turnbull: The honourable members opposite, particularly those that have served as ministers, know very well that that is the correct process. That is what we are following and we are not going to deviate from the proper course of action by these sorts of opportunistic stunts let alone be lectured by somebody who sold some of the lowest paid workers in Australia down the river. He sold them down the river. There was no due process there. There was no full disclosure there. There was no accountability there. That is what he did. And when we apply due process and it does not give the results that he would like then he complains. Due process, accountability, integrity are what we stand for and are what we will deliver.

Ms Kate Ellis interjecting—

The Speaker: The member for Adelaide will cease interjecting.

Trade

Mr O'Dowd (Flynn) (15:02): My question is to the Minister for Agriculture and Water Resources. Will the minister please update the House on how seven new live export markets and three new free-trade agreements with China, Japan and Korea are helping cattle producers and cattle processors in both my electorate of Flynn and across Australia.

Mr Joyce (New England—Minister for Agriculture and Water Resources) (15:03): I thank the honourable member for Flynn for his question. He has had long experience from fuel distributing to being an all-round good fella. He is a person who clearly understands his electorate. His electorate is one of the primary cattle producing areas not only of Australia but, I would say, around the globe. In fact there are more cattle produced in the Fitzroy Basin than in the whole of the Northern Territory. It is a great industry that supports the jobs of thousands of people around Rockhampton. I also note the member for Capricornia, who would also have a strong interest in jobs around Capricornia. This government provides the impetus, provides the experience that drives jobs and has driven soft commodities to probably the best turnaround it has ever seen in this nation.

I was very interested to see on Bloomberg, in discussions with the Treasurer, exactly what has happened. On Bloomberg itself they talk about Australia's beef export surge into China. What they have shown quite clearly—I am happy to table this—is that beef exports in the previous three years have reached record levels. It would not be a surprise that the last three years is when the coalition has been in government. They stated that we have seen a sixfold increase in three years in our exports into China. It is the planning that goes behind that. Of course we have got good market conditions, of course there is a protein deficit in the world and of course we are doing everything in our power to make sure that we capitalise on it. That is why we are seeing record prices in beef and that is why we are delivering these better returns back through the farm gate.

Even today, as we note these better returns, we can announce that we will be bringing into the parliament a further extension of the white paper—that is, the extension of farm management deposits from $400,000 to $800,000. I know that the member for Maranoa has been very interested in and highly supportive of driving that program ahead, in driving that facility ahead. This in itself will allow people to be able to offset the money they have in their farm management deposit against the money they owe to the bank. Basically if they work it
well, they will be able to get a tax deduction for paying off their place, because we want them to have greater equity in their property.

We continue to see this extensive drive and better returns in beef prices just like we are seeing them in sheep prices, just like we are seeing a turnaround in wine prices, just like we are seeing a turnaround in wool prices. It certainly is great to be part of a government that is bringing real dignity back through the farm gate, that is giving this nation the strongest soft commodity turnaround in its history and that has brought agricultural exports to now our second biggest export after iron ore.

**Ministerial Conduct**

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:06): My question is to the Prime Minister. Clause 2.2 of the Prime Minister's own statement on ministerial standards states:

A Minister shall not act as a consultant or adviser to any company, business, or other interests, whether paid or unpaid, or provide assistance to any such body, except as may be appropriate in their official capacity as Minister.

Given that the minister clearly provided assistance to Nimrod Resources in a private capacity on his trip to China, how can the Prime Minister possibly argue that the minister has complied with the Prime Minister's own ministerial standards?

Mr TURNBULL (Wentworth—Prime Minister) (15:07): The Leader of the Opposition has asked me the same question twice now. Rather than going through the same answer twice, let me just remind him of this—

Mr Truss interjecting—

Mr TURNBULL: I thank the Deputy Prime Minister, who has asked me to do it again. I think I will stick to a more succinct—

Opposition members interjecting—

Mr TURNBULL: That is right—it is a very agile frontbench, I can assure you.

Ms Butler interjecting—

The SPEAKER: The member for Griffith will leave under 94(a).

The member for Griffith then left the chamber.

Mr TURNBULL: It was raised yesterday, and yesterday I asked the Secretary of the Department of Prime Minister and Cabinet to investigate the matter and advise me on it and to ascertain all of the facts and circumstances surrounding it. That is the process that is to be undertaken. The government cannot be criticised for being slow in reacting. We set in train the appropriate process immediately the matter came to light. The secretary will diligently look into the matter and he will provide me with advice, and then I will make a decision.

The remarkable thing about the opposition is this parallel universe in which they live. We have a government presented with an issue and we immediately take the appropriate course of action under the code of ministerial standards—exactl...
of Australia's lowest paid workers in return for an undisclosed payment of money from the employer, and they think there is nothing wrong with it. Really! We are not going to be lectured on accountability and integrity by that opposition.

**National Stronger Regions Fund**

Mr HOGAN (Page) (15:09): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Minister, the National Stronger Regions Fund is very important to regions such as mine. I have had many inquiries from people in my community about the next round of this fund. Could you please update the House on the timetable for the next round and explain how this program is delivering local jobs to regions like mine.

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (15:10): I thank the honourable member for Page for the question. It was a pleasure to be with him in his electorate to look at some of the projects that are happening and that he has been supporting for a very long period of time. I particularly note the Pacific Highway work that has at last come to Page—the biggest project in fact on the whole of the Pacific Highway—a 155-kilometre contract, headquartered in Grafton in his electorate, which will provide thousands of jobs to the people of Page. It is certainly a pleasure for us as a government to be engaged in such significant construction projects in regional communities. That was of course a neglected part of the Pacific Highway under the previous government. We are filling in the gaps, and that is particularly important to the local people.

Another way in which we have been able to assist regional communities, particularly regional communities that are suffering disadvantage, has been through the National Stronger Regions Program. I know that the honourable member's electorate missed out in the first round, but in the second round there were four projects approved, and they are a demonstration of the innovative kinds of activities that are being undertaken in many communities to help create jobs and build a stronger local economy. The redevelopment of the Northern Rivers Livestock Exchange in Casino, the new sugar freight and logistics project at the Harwood sugar mill, the reconstruction of the Ballina marine tower, and the Lismore quadrangle in the new Northern Rivers regional gallery are examples of the breadth of projects that have been funded under the National Stronger Regions Program right around the nation. Indeed, in the first two rounds, 162 projects have been funded, and they are already delivering jobs and opportunities in regional communities.

The third round of the National Stronger Regions Fund opened on 15 January and closes on 15 March. I would encourage communities, particularly those who are suffering disadvantage, who have an idea about what they can do to create jobs and boost their local economy, to apply, to take advantage of this program and to work with their regional development authority to develop applications that are likely to make a real difference to their communities. We care about those communities. We want the people who live in disadvantaged areas to share in our nation's growth and prosperity, and this National Stronger Regions Fund is one way in which we are demonstrating that real concern.

Mr Dreyfus: Mr Speaker—
Mr Turnbull (Wentworth—Prime Minister) (15:12): Mr Speaker, I ask that further questions be placed on the Notice Paper.

The Speaker (15:12): For the benefit of the member for Isaacs and others, the conclusion of question time is entirely within the hands of the Prime Minister. I just do not want the member for Isaacs to think I am not recognising the speed with which he gets to the dispatch box—even if he demonstrates the speed in getting to the dispatch box that the member for Sturt once did in leaving the chamber! And, even if he gets his question out, it is entirely within the Prime Minister's domain to bring question time to a conclusion.

Personal Explanations

Mr Shorten (Maribyrnong—Leader of the Opposition) (15:13): Mr Speaker, I wish to make a personal explanation.

The Speaker: Does the Leader of the Opposition claim to have been misrepresented?

Mr Shorten: I do.

The Speaker: The Leader of the Opposition may proceed.

Mr Shorten: Today during question time the Prime Minister made assertions about my conduct whilst I was Secretary of the Australian Workers' Union. These assertions are entirely incorrect, and he knows it.

Government members interjecting—

The Speaker: Members on my right! The member for Deakin will cease interjecting. The Leader of the Opposition is entitled to speak without a wall of interjections. I will deal with anyone who interjects. I call the Leader of the Opposition again to proceed with his statement.

Mr Shorten: Today during question time the Prime Minister made assertions about my conduct whilst I was Secretary of the Australian Workers' Union. These assertions are entirely incorrect, and he knows it. Unlike him and the Liberals he leads, I always have and I always will put the interests of workers first every day.

Matters of Public Importance

Health Care

The Speaker (15:14): I have received a letter from the honourable member for Ballarat proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government attacking Australia's health care system.

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—

Ms King (Ballarat) (15:14): Just when you think there could not possibly be anything further the Liberals could do to attack Medicare, they prove you wrong yet again. On the front page of today's West Australian newspaper it is revealed the government has a secret plan to
privatise Medicare and the Pharmaceutical Benefits Scheme. So, after two years of trying to kill Medicare, now the Liberals are trying to sell it off. This is a direct attack on Medicare services which could jeopardise the patient data of every Australian and the jobs of some 1,400 staff at centres all around the country. This idea, from the same failed commission of audit that gave us the GP tax, that told us we should merge the Organ and Tissue Donation Authority with the National Blood Authority—something I think the government has now finally ditched—would mean that Medicare services would be delivered for profit, not with the best interests of patients in mind. It would mean the most critical, confidential and intensely private health details of all Australians potentially being sent overseas.

Once again this is a case of the government seeing these services which are so vital to all Australians as nothing more than a source of savings. This is the Prime Minister going where even Tony Abbott feared to tread. This is the Prime Minister proving that, no matter who the leader is, the Liberals only ever see health as a source of budget cuts and will always look to make health less affordable for those who need it most—the sick and the poor. In his very first economic statement the Prime Minister took all of Tony Abbott's cuts to health, and then added an extra $2.1 billion to make health care even less affordable to millions of Australians. He took Tony Abbott's $57 billion in cuts to hospitals, his billions of dollars in cuts to preventive health and public dental programs, his GP tax and added another $2.1 billion of his own. He gutted crucial health workforce programs to the tune of $595 million, ripped another $146 million out of health prevention and took another $650 million out of Medicare by slashing bulk billing incentives for pathology and diagnostic imaging.

The people who will pay for these cuts are the patients, in up-front costs of hundreds and even thousands of dollars that even after the Medicare rebate is paid will see them hundreds of dollars worse off in some cases. This decision to abolish Labor's incentives—incentives that were absolutely working in pathology and diagnostic imaging—will force many pathology clinics and diagnostic imaging practices to abandon bulk billing and begin charging patients for scans and tests. And patients charged these fees must pay the entire amount up front and then claim back the rebate later. These costs are not inconsiderable. According to the Australia Diagnostic Imaging Association, patients would have to pay up to $93 up front for an x-ray, $396 for a CAT scan, a minimum of $85 for a mammogram and up to $186 for an ultrasound. For those unfortunate enough to need a PET scan, the up-front cost could hit $1,000. That is before you get the rebate back, and you have to pay it up front. But patients with serious conditions never need just one scan. Australia has the world's highest diagnosed rate of melanoma and a typical patient diagnosed with melanoma would be referred for a PET scan and an MRI scan of the brain, a total of $2,660 to $3,130 up front and gaps of $260 to $725. A patient with suspected breast cancer who was previously bulk billed faces up-front costs of between $282 and $554 and will still be left $29 to $302 out of pocket after receiving all of the Medicare rebates. Patients will eventually get rebates from Medicare, but they could still be left with hundreds of dollars in out-of-pocket expenses— that is, of course, if they have been able to find the money up front in the first place.

For many of the patients who are now bulk-billed, these sorts of costs are simply unaffordable. People who skip appointments may get lucky and find their condition has not deteriorated, but the odds are that those who do miss important scans will get sicker, require even more extensive treatment and end up costing the health system much, much more. And
heaven help those who do end up in hospital, because, as I pointed out earlier, this
government has cut $57 billion out of our public hospital system—$57 billion in hospital cuts
is such an overwhelming figure it can be hard to focus on what its impact might mean for our
hospital systems. Now, thanks to the work of Labor senators on the Senate Select Committee
on Health, we know that for just one state, Victoria, it is the equivalent of closing two major
hospitals and dropping 23,000 elective surgeries every fortnight. The Queensland health
department has estimated its share of the cut is the equivalent of 4,500 doctors, nurses and
allied health practitioners. And these cuts will be repeated in every state and territory, with
tens of thousands of elective surgeries cut, hospital beds closed, waiting lists blowing out and
thousands fewer doctors, nurses and other health workers. No wonder even the Liberal New
South Wales Premier Mike Baird has declared the cuts to be unsustainable and a kick in the
guts.

But the changes went much further than just ripping out the funding, because at the same
time the government also tore up a series of agreements years in the making and agreed by
governments state and federal, Labor and Liberal, to not only place hospital funding on a
secure basis but also use that funding to drive real reform that would not just improve patient
care but do so in a way that made our hospital system much more efficient and eliminated
waste. The benefits delivered by the agreements went beyond hospitals—better care in
primary care, better prevention care and better dental care, as well as placing hospital funding
on a secure footing. They were, in short, the most significant health reform since the
introduction of Medicare—negotiated yet again by a Labor government in cooperation with
the states and territories, and the Liberals have literally thrown them out and said, 'It's not our
problem.'

In just the last few hours, it seems that even those premiers and chief ministers clinging to
the hope that somehow the government's floating of the GST might be the answer have finally
seen the light. Of course, state leaders are desperate for money for their schools and hospitals.
They are telling the truth when it comes to what this government has done. But increasing the
price of everything by jacking up the GST and the cost of living is simply not the answer.

It is now very, very clear that this was never about funding schools and hospitals. It was
just a massive tax transfer from companies and high-income earners onto low- and middle-
income earners. There was never anything in this for schools and hospitals, and the premiers
and chief ministers now understand that this is not a government that cares about properly
funding our schools and hospitals. The government has today cancelled a special meeting of
the Council for the Australian Federation to discuss this crisis. No wonder even Liberal
premiers are saying these cuts are unsustainable and simply amount to a massive cost-shift
onto both patients and the states.

The growth in hospital costs will not magically be lowered as a result of these cuts. In fact,
the latest evidence confirms that they will have a real impact on patients and healthcare
outcomes by increasing emergency department waiting times, increasing elective surgery
waiting times and reducing the number of hospital beds across the country.

Not content with cutting hospital funding, the government then attacks bulk-billing by
slashing rebates for pathology and diagnostic imaging, and of course continuing its freeze on
rebates to general practitioners, ensuring that even more people will head to already
overstretched and underfunded emergency departments—because when you are a parent with
a sick kid who needs to see a GP or get an X-ray and you cannot afford the fees, where do you go? You go to the emergency department of your local public hospital—the same public hospitals that are about to lose $57 billion as a result of decisions that this government has made.

So, while the government has changed leaders, essentially the health policy remains exactly the same: to cut health costs and to shift costs onto patients by attacking bulk-billing and Medicare at absolutely every turn. And now, after two years of trying to kill off Medicare, the government is trying to flog it off. Today's revelations confirm yet again that only a Labor government can be trusted to defend Medicare and that Medicare will never be safe under the Liberals, regardless of who their leader is.

Ms LEY (Farrer—Minister for Health, Minister for Sport and Minister for Aged Care) (15:24): It is a pleasure to speak on the matter of public importance today and to punch a few holes in the rather ridiculous argument from the member for Ballarat. We get used to hearing this nonsense in here, but it worries me when people listening to the broadcast actually believe what the opposition say the costs of, for example, scans and pathology will be. The member for Ballarat does not know. No member of the Labor Party and no member of the Liberal Party either actually knows what the charging practices of doctors, diagnostic imagers or pathology providers will be from day to day in any location across Australia.

What we did say, and we defend it, is that by trimming a bulk-billing incentive we bring back the spend in pathology and diagnostic imaging to where it should be. But we do not touch the Medicare rebate itself. The Medicare rebate for every single one of these procedures remains the same, but you would not think that from listening to the member for Ballarat. You would think that we had gone into the MBS, changed the numbers and written them down, and made life deliberately difficult for patients. In fact, every day in the Health portfolio, it is patients we think of first; they are front and centre. We think of their needs and we think of the system that we have to build that is sustainable for them.

There has been this massive huffing and puffing, this scare campaign, over Medicare. While the Prime Minister was explaining that we are having a look at the technology around the payment system—the Minister for Human Services also explained that very well—there were screeches coming from the opposition front bench: 'Just rule out that you're privatising Medicare.' I can of course rule that out. This has nothing to do with privatising Medicare. Medicare is the system invested in by taxpayers that remunerates doctors for the procedures that they do on behalf of patients, the procedures I have just been talking about. You go in to diagnostic imaging, you have a scan, Medicare pays your doctor the Medicare rebate and then your doctor decides what they may or may not charge you. Pathology is a good example. The bulk-billing rebates that we have taken away mean it goes from $1 to $3 per service. So how the member for Ballarat can conjure that up into hundreds of extra dollars in costs for patients, I do not understand. What I do know is that it scares people, it upsets people and it is completely ridiculous.

As for looking again at Medicare, which was what the newspaper article the Leader of the Opposition tried to wave around in question time was about—and, yes, our editors get a bit excited about headlines, and maybe that is what happened—why would you not look at a payment system that was designed around the same time Medicare was, in the 1980s, and work out how you can bring it into the 21st century?
Now, maybe Senator Doug Cameron—I actually like Senator Cameron—is not in the digital age. I am sure his children are; I know mine are. They absolutely all get it. Everyone in their twenties gets it. Soon we will not be carrying around bags and wallets and cards. We want to be able to do things on the move. We want mobile platforms. We want a payment system that is quick, that is responsive and that perhaps lets us interact with our own private health data and maybe gives us permission to pass it on to third parties. That is the world we live in: cloud based, computer based, information sharing.

Of course, when it comes to privacy, when it comes to keeping your information safe, the laws are there; those regulations will always remain in place. Senator Cameron said he was very worried that multinationals would get hold of our data. I do not know if he banks with any of our major banks. I do not know if he does business with any multinational corporations. I am sure that our children in their twenties, as I talked about, would remind him that we live in a digitally interconnected world, and it is not really a bad thing to be doing business with people who can make your life easier, who can add value.

There is another point to make about this ridiculous scare campaign about privatising Medicare, and that is: if you are investing in the best possible health system for patients, why would you not work out how to make the back-of-house stuff as efficient as possible? Why would you not want to keep all of your money for the front of house—for the services that are provided by doctors to patients, by nurses to hospital patients and by allied health professionals, GPs and mental health nurses? That is where the money needs to go. It needs to go where it makes the lives of patients, carers and consumers better. It does not make sense for any government not to consider how we might reinvest in a clunky payment system and bring that money to bear where it can do the most good.

The member for Ballarat talks a lot about hospital funding, and sometimes she is joined in that by some state premiers, but at least one Labor state Premier has very positive conversations with me about working together. I know that when it comes to health spending it does not make sense to play politics—that does not make sense when people are not well. When people interact with the health system they want a system that cares. They want someone that understands that that system should be built for them for the long term. So we are working together. I am having really good conversations with state ministers about the next health and hospitals agreement, but I can tell the member for Ballarat this: it will not be like the last health and hospitals agreement. Kevin Rudd as Prime Minister was so desperate to sign up that he added layer upon layer of funding to the states. Did it improve performance in public hospitals? Sometimes here and there—but maybe a bit. It was patchy. What it did do was give a very helpful revenue stream to state governments.

What we need to say and what we should say on behalf of the taxpayers whose money we are responsible for is that if we are co-investing on their behalf in the state public hospital system, if we do not have any drivers over the cost of that system we need to make sure that we build into those agreements and arrangements a recognition that prices cannot keep rising at the rate that they are. State health ministers understand this. Actually, previous health ministers understand it as well. The member for Ballarat, like me, works in the health portfolio. Previous Labor ministers have well and truly understood this point. I am a bit surprised that we had pathology rolled out as an example today, because it was Labor that took $550 million out of pathology because it knew that that was where expenses were rising.
Mr Nikolic: Wise words.

Ms LEY: Wise words from a previous health minister. Even this health spokesperson said, late last year:

... the opposition would be kidding itself if it did not recognise there were challenges in the budget and that savings needed to be found. There is no area that is going to be exempt.

So the health spokesperson has recognised what every single health minister knows—that is that it is in the interests of patients to make the system as sustainable as possible.

Earlier today, we had the member for Sydney—another health minister—talking about the Trans-Pacific Partnership, rather uncomfortably, because I do not think a lot of her Labor unions actually like it. She said that Australians are very determined to protect the PBS. You want to make sure that the PBS, the price of medicines, is sacrosanct in the TPP. I can assure her that it is. I had lots of conversations with the minister for trade and the Prime Minister to make sure that is the case. The member for Sydney talked about new medicines. Hello! Access to new medicines is not possible in a health system that is not sustainable. If you look at where the spends are across the system, doesn't it make sense to look at how we can make the necessary investment and savings so we can have access to new medicines.

The member for Ballarat quite rightly mentioned melanoma, a disease we have far too much of in Australia. It is treated by a drug called Keytruda, an innovative immunotherapy. We would not have been able to list Keytruda, at $100,000 a patient, if we had a system whose costs were spiralling out of control, if we did not have to make the tough decisions, if we did not have to make this saves that we have announced.

By the way, where are those saves going? Into the Medical Research Future Fund—not where Labor put them, into the budget bottom line—because we know that the cures for cancer, the health of all Australians, depends on these innovative techniques and treatments. I mentioned the drug Keytruda. I should also mention the $1 billion investment the government has made in curing hepatitis C. We are the only jurisdiction in the world to say, 'Everybody, everywhere, we want you to have access to treatments.' That is pretty much 12 weeks of tablets, not the awful interferon based hospital therapies that made so many people so unwell. Without fear or favour wherever you are, in the prison population or homeless on the street, you should have access to this. It is $1 billion spent in MYEFO. Everyone talks about the saves. Sometimes it is a good idea to look at where we spend the money and how we invest it for the health of all Australians, how we keep the dollar as close as possible to the patient to make the most difference in the patient's life.

Stop scaremongering, Labor Party. Have a sensible debate and talk about what you are going to do, what your policy might be. We had no ideas in 2015; we really need some good ones from you in 2016.

Mr STEPHEN JONES (Throsby) (15:34): It is now well accepted, at least by all of those on this side of the House, that Australia, which was once known as country of the fair go, as the land where people could pull themselves up by their bootstraps, indifferent to the
circumstances of their birth, with the support of the government and the great opportunities this country would bring to them, and make good of themselves. But we know that inequality is growing. It is growing right around the region and right around this country. In fact, in the middle of last year the OECD published a report, which found that inequality in Australia is growing, as it is right throughout the OECD countries, and that it is in fact a drag on our national growth and eroding our social cohesion. It found that in Australia the top 10 per cent held over 45 per cent of the country's wealth and that the gap was going. That is a point that should be of great interest to all those National Party members and regional MPs opposite. The OECD found that in the city you were 20 per cent more likely to be in the top and wealthiest people in the country, as opposed to those people in the regions and in the country.

With growing inequality it is all the more important that we have a government that is dedicated to providing a decent health system. We already know that gaps in access to healthcare services and that health inequality are greater between city and country, and as we will learn tomorrow when the Prime Minister and Leader of the Opposition address this parliament on progress on closing the gap we will learn once again that we are not making sufficient progress on closing the gap in health outcomes between black and white Australia.

Against this background, why on earth would anybody who gives a toss about a fair go, which is seriously committed to addressing inequality in this country, do this government is doing to the health system of this country.

The member for Ballarat has gone through the long list of cuts that this government is attempting to visit upon the Australian people. The member for Ballarat went through the $57 billion worth of cuts to our hospital system, and we are seeing state premiers of Liberal and Labor persuasions saying that if something is not done about this our hospitals will fall over.

In my state we are already seeing the beginning of hospitals without doctors, something unthinkable a decade ago. There are hospitals without doctors, because they simply cannot afford to ensure that they have the full complement of staff.

Mr Nikolic: Name one!

Mr STEPHEN JONES: The member over there, the member for Bass, has asked me to name one. What about Bega?

Mr Nikolic: No doctors in Bega hospital? That's ridiculous. How can there be no doctors in Bega hospital?

Mr STEPHEN JONES: And, if the member really wants to entertain this dialogue, we will give him a full list: $1.8 billion worth of cuts to general practice; the proposals to increase the cost of medicines; the proposals to increase the costs of blood tests, X-rays and MRIs, which we learn will cost the average patient up to $60 a presentation. If this is what it means to be 'agile', I want to be standing for something different. If this is what 'agile' means, it is not what we are for. On this side of the House we stand for Medicare. We stand for a decently funded hospital system.

We learned today that the new government led by the new Prime Minister has not discarded their ferocious plans to attack Medicare, because we find today that there is a proposal to privatise Medicare. This will put the livelihoods of between 5,000 and 10,000 hardworking Australians at risk. I would have thought the member for Bass over there— who
always has a lot to say—in an electorate like his, with such high unemployment, would be
going into bat for the employees of Medicare, but he cares about something far less than that.

The only thing more ridiculous than the idea that we are going to privatise Medicare is the
idea of putting the embattled Minister for Human Services in charge of such a proposition.
Have you ever heard of a more ridiculous proposition? Those on this side of the House are
going to fight until our last breath to ensure that we have a well-funded public hospital system
and a Medicare system that is fit for the purpose of dealing with health inequality in this
country. (Time expired)

Mr NIKOLIC (Bass) (15:40): I am pleased that the member for Throsby—the gift that
keeps giving—raised unemployment in Bass. At the time of the 2013 election, unemployment
in Bass was 8.6 per cent; right now it is 6.6 per cent, after two and a bit years of this
government. So thank you for bringing attention to that, Member for Throsby; yet another
own goal.

While the shadow health spokesperson spreads yet more misinformation and scare
campaigns, Minister Ley, the member for Farrer, and the Tasmanian health minister, Michael
Ferguson, are working to clean up Labor's health mess.

Ms King interjecting—

Mr NIKOLIC: I know that no-one does feigned indignation like the member for Ballarat,
but the problem for her and Labor is that the Australian people have very long memories.
They know that, when it comes to spending on policy priorities, Labor consistently over
promised but underdelivered—on the NBN, on defence, on health, on education, and on too
other policy areas to mention. They know that the member for Ballarat flutters in the
wind when it comes to health policy. One day the shadow spokesperson acknowledges the
problems in our health system; the next she denies them. Consider a Sky News Agenda
interview on 22 February 2015, when the member for Ballarat said: 'The opposition would be
kidding itself if it did not recognise there were challenges in the
budget and that savings
needed to be found. There is no area that is going to be exempt. We have to look across the
board.' The Australian people see this inconsistency clearly.

She should also reflect on the fact that the Australian people have long memories. They
know, for example, the true pain of Labor's deep cuts to the private health insurance rebate.
People in my electorate of Bass are amongst more than 10 million Australians who have some
form of private health insurance. They know that during six years of Labor and Labor-Greens
government the attacks on provide health insurance policyholders were relentless. Cutting
funds, means-testing—and this is despite 5.6 million of those people with private health
insurance having incomes under $50,000 a year. Three point four million of those people have
incomes less than $35,000 a year.

Labor broke promise after promise on health insurance, putting the sector under significant
pressure and creating uncertainty. And the member for Ballarat has the audacity to talk about
records on health spending. With the Labor-Greens government health spending hit a record
low. Patients and health funds are left to pick up the pieces. What happened to Kevin Rudd's
promise in 2008 to 'end the blame game'? He said he would take over hospitals by 2009, yet
hospital costs today are growing, because of your mismanagement, at three times the rate of
GDP.
The Australian Institute of Health and Welfare report in 2013-14 showed that health expenditure in Australia under Labor and the Greens fell from 43.7 per cent nationally in 2003-04 to 41.2 per cent in 2013-14—the lowest in a decade. Australians know it was the Labor Party that introduced the freeze on MBS indexation when they were in government. In fact, when Labor introduced this measure that they are now arguing against, the then health minister Tanya Plibersek said: 'Doctors earn enough money to bear the federal government's controversial freeze on MBS rebates. I understand GPs have all sorts of expenses in running their surgeries and employing staff and so on, but the average billing from Medicare is more than $350,000 a year.' I can go on with example after example of health mismanagement at strategic and tactical levels under the Labor and Labor-Greens government.

The John L Grove centre in my electorate of Bass was opened with much fanfare before the 2013 election. The Giddings Labor government accepted $4.7 million in federal funding from Julia Gillard to build the centre, and then the state government put no money in the budget for its ongoing running costs. I found out in 2014 that this new centre was about to close but, thankfully, through my advocacy former Prime Minister Tony Abbott and I were able to announce last May that the coalition would provide $10 million to secure the John L Grove centre's future to mid-2017.

I say again to the Labor Party: spare us your sanctimony, your hypocrisy and your feigned outrage. Join us in optimising our health system to eliminate waste and afford the new drugs we need for the future. Labor created this mess. It is the Turnbull government's intention to fix it.

Mr ZAPPIA (Makin) (15:45): Few things matter more to people than access to an affordable, quality and professional health service. Indeed, without good health you have very little else and very little else matters. But the Turnbull government simply does not seem to understand that. As the member for Ballarat has already pointed out, since coming to office the coalition government has cut almost $60 billion of health spending. Every state Premier acknowledges that and every state Premier has made the point that it will impact on the services they are able to deliver in their state. Some state premiers, in particular the Premier of New South Wales, are saying that some of the GST that they were talking about ought to go specifically to funding health across this nation.

Indeed, it is because of the cuts to health expenditure by this government that we are seeing an absolute shifting of costs from the federal government to the states. Not long ago I met some GPs in my electorate. They were being threatened with cuts to their practice payments, which meant they were going to have to cut their after-hours services; and that in turn was going to send more people to the public hospital up the road. That is exactly what is happening across the country, and that is why today the Premier of South Australia has made that point once again, saying that the $4 billion-plus in cuts that South Australia will lose could result in hospitals being closed.

The fact is that this government made cuts from the health budget not only before the current Prime Minister came into office; since then, we have seen another $2 billion in cuts, with $650 million being cut from pathology tests, from diagnostic testing and from other health prevention programs.

We have also seen $595 million in cuts to the health workforce. In answer to a question on notice that I placed, the minister responded to me only two weeks ago that we currently have...
in this country nearly 4½ thousand doctors on temporary visas—2½ thousand of them came in the last 12 months—and another 2½ thousand nurses and midwives. That is the sad state of workforce planning in this country when it comes to the health system. Again, what we are seeing from this government is simply more cuts. It just does not make sense.

I refer to Bloomberg, whom the Minister for Agriculture also referred to today. They say Australia's healthcare system ranks No. 6. The US health system ranks 44th out of 51 countries—yet this government is trying to take the Australian healthcare system down the US path. The reality is that not only does the US spends 8.5 per cent of its GDP on health, as opposed to Australia's six per cent; but it gets a much worse health outcome, and life expectancy in that country is much lower than life expectancy in Australia. That proves that our system, publicly funded as it is, is working well for the people of Australia. It is a system that we should not be trying to tear down; if anything, we should be trying to support it.

The sale of Medicare has been raised again today. That does not surprise me one iota. We know that the government wants to get rid of Australian Hearing as well, another terrific service that has served the people of this country for five decades. We know that this government has no interest in protecting the jobs of Australians. We see that in the cuts across the public sector. We see it in our research institutions, which have been decimated. We see it across the private sector, where the manufacturing sector and industry more broadly has had hundreds of millions of dollars in cuts. We have seen it in education and now we are seeing it in health.

These are the jobs of real Australians, real people who are providing services to people across the country. When it comes to jobs in the health sector, none are more important, because when you have a family member who needs health care, you want to know that you can go and get the service that they need. Sadly, those services are slowly disappearing. I get emails and people coming into my office on a regular basis who are having difficulty accessing services that they need urgently and desperately. It is all because of this government's cuts to health funding across the country, which in turn are flowing on to private services and the public systems in the states.

Medicare has served this country well for the last four decades. It is a universal health system that we should be proud of. It is a universal health system that has met the needs of this country. This government is now trying to destroy it. That is what will happen with the first step that the government has talked about today. (Time expired)

Mr Alexander (Bennelong) (15:50): Thank you for the opportunity to contribute to the debate on this matter of public importance. The management of our public health system is most definitely a very important matter. Australians demand the best possible health service, where their interactions are in lock-step with the best available processes and technologies. This is, of course, in the government's best interests as well because, between Medicare, aged care and the Pharmaceutical Benefits Scheme, the Commonwealth processes over $42 billion worth of payment transactions every year.

Consumers nationwide have enjoyed a shift to 'tap and go' payment systems as our cards and mobile devices are enabled to manage an ever greater variety of transactions. As a result, the health department is looking into ways to digitise transactions as part of our commitment to embrace innovation and offer the community the best options available in response to changes in the digital economy. The government will engage business innovation and
technology experts to arrive at the best and most efficient solution. So, of course, at this stage the government has not made any decisions on this as the work continues.

But why let the truth get in the way of a good scare campaign? So here we go again with another inept attempt by Labor to scare consumers that a change to 'tap and go' payments will somehow be a negative for them. Our Medicare system should always be evolving. That is our duty to the constituents who elect us to represent them in this place. Commonwealth spending on Medicare is certainly evolving—more than doubling from $8 billion in 2004 to $20 billion today. Yet we raise only $10 billion from the Medicare levy. Ten years ago the Medicare levy covered 67 per cent of the cost of Medicare, but it now covers only 54 per cent. That is why this government is conducting a once in a generation review of the Medicare Benefits Schedule. And this is why it is vital for the sake of future generations that this government is always looking for better ways to deliver medical services to Australians and to provide the best quality services for each important taxpayer dollar spent.

The MBS review is looking at more than 5,700 Medicare items, with the goal of ensuring that we have the most effective modern clinical system. It is vital that as a government we are always looking at ways to identify and reduce waste and inefficiencies in the system whilst protecting the integrity of our world-class health system. The review is led by clinicians and supported by allied healthcare practitioners and consumers. The pause on indexation of MBS rebates will remain while this work continues through the MBS Review Taskforce and the Primary Health Care Advisory Group. The minister has made it clear that she is open to a future review of the indexation pause as the work on reform progresses.

In contrast to this calm and methodical approach to policy development is what we saw from those opposite when they occupied the government benches. At the 2007 election Labor promised a plan to fix hospitals and, if it was not achieved by mid-2009, a referendum to be held to take financial control of Australia's 750 public hospitals. In 2008 the Labor government promised to 'slash elective surgery waiting lists'. History tells a different story: bureaucracy ballooned while public hospitals, private health insurance, dental and other areas faced funding cuts. Some $1.6 billion was cut from public hospitals and $3.5 billion was cut from private health insurance, forcing up premiums for 10.6 million Australians with hospital cover.

An area particularly close to home for me is that of the government's support for life-saving medicines being made available to consumers through the Pharmaceutical Benefits Scheme. The coalition government has more than doubled the number of new and amended drug listings on the PBS to 913—worth almost $3.4 billion in total since October 2013. This is compared to Labor's paltry 331 listings during the last three years of their term in office. Labor signed a memorandum of understanding with Medicines Australia in May 2010 to provide 'policy certainty' to the sector in return for additional savings of $1.9 million over five years. Within months Labor had turned their back on this agreement, denying patients timely access to new medicines that had been independently assessed by the PBAC as being safe and cost-effective. (Time expired)

Mr MITCHELL (McEwen—Second Deputy Speaker) (15:55): Isn't it great to hear those opposite with their impassioned speeches about how exciting this government is? It is an exciting time to be alive, according to the peacock Point Piper prince, the Prime Minister. Let us have a look at what is going on here today. What we see is that every single state and
territory is suffering because of Malcolm Turnbull's decision to tear up the hospital funding agreement. The Prime Minister is leading a government that is systematically attacking Australia's healthcare system and putting Australians' health at risk. The $57 billion cuts to health funding mean that more patients are being forced into overcrowded public hospitals. For the Turnbull government and its view of the Public Service this means staff cuts in Medicare and the Department of Health. On the front line it means fewer doctors, nurses and other health staff. It means cuts to elective surgery, hospital beds closing and waiting lists blowing out.

Not content with cutting hospital funding the government then attacked bulk-billing by slashing rebates for pathology and scans and by freezing the rebates to GPs, ensuring that more people will head to the overstretched and underfunded emergency departments. Cuts to health funding mean massive costs being shifted to the states, medical centres and patients. It means additional stress for Australians who may not get the medical attention they need at the time it is required.

Managers of bulk-billing medical centres in my electorate tell me about the struggle to provide services to our communities. For regional areas in particular it is already difficult for medical centres to attract and retain doctors. I was amazed to hear that an overseas qualified doctor with permanent residency in Australia has greater restrictions put on their ability to work in medical centres than someone with temporary residency.

A medical centre in my electorate was forced to close down its after-hours service between 4 pm and 9 pm because of the doctor shortages. Where do these patients go? They go to the hospital, putting more pressure on already strained hospital resources. What happens when, with the cuts from the Turnbull government, a hospital is forced to close? Patients then go to the next available medical centre or hospital, increasing the pressure on those locations until they break. With local medical centres being forced to close due to doctor shortages, what outcomes can we expect?

We need to support our community medical centres and ensure that they have the staff and the procedures in place to meet their needs. Medicare is so understaffed that the delays in assessing provider numbers mean that one medical centre I spoke about earlier, which helps 130 patients each day, will be forced to reduce the number of patients being seen. This means that medical care for people in our community will be compromised. We are entering the cold and flu season. To have to close down a bulk-billing medical centre at its busiest times—after hours—is unsustainable. In the real world this is when most workers and employers are likely to seek medical attention.

The Prime Minister spoke about Medicare during question time today. It is pretty clear that he has given the house a lick of paint before he puts it on the market. How about we put some money into staffing Medicare to ensure that it is able to support GPs and medical centres—the front line of Australia's healthcare system? Instead, this government directly attacks Medicare services. It is putting personal patient data and the jobs of more than 1,400 Australians at risk. Selling Medicare means that its services will be delivered for profit, not for the interests of Australian patients. It means that the most critical, confidential and intensely private health information of Australians could be sent overseas. It is the Turnbull government making health care less affordable. This is the Turnbull government trying to make a buck out of Australia's healthcare systems.
Today's revelations confirmed yet again only Labor can be trusted to defend Medicare and Medicare will never, ever, ever be safe under the Liberals, regardless of who the leader is. This discussion today is backed up by Premier Mike Baird, that great socialist man in New South Wales. He also said that these cuts from his Liberal mates are 'a kick in the guts' and mean that the healthcare system in New South Wales is 'simply unsustainable' and said, 'The states do not have the capacity to meet the healthcare costs on their own.' Even Jill Hennessy has warned that these cuts will have a massive impact on Victorians who are sick and need healthcare treatment, because you simply cannot pull $17 billion out of a healthcare system and expect there not to be any consequences. This government has continued changing leaders but is failing Australians where it matters most—our healthcare system. (Time expired)

Mr HOGAN (Page) (16:00): I grabbed a piece of paper on my way here, just to look at federal government's spending on health. It might be enlightening for the other side to listen to this, because in the financial year 2014-15 the federal government, in the area of health, spent $67 billion. The estimate for 2015-16, and we are just over halfway through it, is $69 billion. That is an increase of $2 billion of federal government spending on health.

You might ask: what after that? Will cuts happen, then? No, they will not. The estimates and projections for 2016-17 go to $71 billion. Projections for 2017-18 are $74 billion. For 2018-19 the projections for federal government spending, on health, are close to $77 billion. In 2018-19 we get to $77 billion. You might say to me, Mr Deputy Speaker Broadbent, where are we from last year? That was $67 billion. I know you are a very intelligent man, Mr Deputy Speaker, but I will tell you anyway. That is an increase of $10 billion in spending, on health, by the federal government. So let us lay out those facts and projections at the start of this. As a federal government we are increasing funding on health—as we should—every year and are budgeting to do so over the next five years.

I would like to take this opportunity as well to talk about spending on health in my local community. In the 2013 election I promised $4.5 million for the upgrade of the Ballina hospital. It will have a new operating theatre and some new imaging equipment. We have funded other health related ancillary services, like the Dementia Outreach Service. I recently announced infrastructure funding for Tresillian, which is a family care centre in Lismore, to help young families with babies and their health needs. We have increased funding for aged care and related health services. There have been millions of dollars—just in my community—announced in the last two years.

I know you are aware, Mr Deputy Speaker—as are most people in this House—of the scourge of ice in our community and the health issues it has created. We have increased funding to that area—from very little, if anything—by $300 million that we announced with the National Ice Taskforce. There is more in my local community. In 2013 the Labor government promised $3 million for redevelopment of the Casino emergency department. They made that promise six or seven weeks before the election. We did not.

I went to Casino after the election. I saw that the emergency department badly needed an upgrade and I lobbied the then health minister. We even matched that promise. There is a new triage area. There are two new resuscitation bays. There is a new ambulance entry. There are four new treatment bays. The waiting area was relocated, because they needed more privacy for people who presented to the emergency department.
As the local member I have a lot to do, as I should, with the Primary Health Network for our region. It is a great operation. We are giving them increased funding. In fact, we are giving them much more autonomy on how they spend money on health resources in our region. I had the pleasure, recently, to open a new headspace facility in my community. Mental health, as we know, greatly needs increased services. There is increased demand there as well.

So we are increasing funding for the health sector of our community—as we should. My wife is a nurse at the local hospital and I am very conscious of the good work they do. This federal government will increase resources to those areas that need it.

Ms CHESTERS (Bendigo) (16:05): I have to confess, when I saw it on the front page of the paper today, I thought, for a moment, it was April Fools’ Day. I thought it had to be a joke. Surely, how could this government go after Medicare and how could this government trust and involve the disgraced Minister for Human Services in this process? This government is so classically liberal it is hard to determine how on earth the Australian people could get behind them at the last election. But they did. And we are now here, today, learning exactly how much this government cares about Medicare.

They have tried over and over again, in this term of parliament, to kill off Medicare. They have tried to bring in a GP co-payment and force our doctors to be tax collectors, force them to collect $7 per GP visit—$2 for their own administration and $5 to be passed on to the government. That failed. It failed because doctors and patients in the Australian community said ‘no’. For the first time in many years we saw the AMA fire up and become one of the most militant and strongest unions we have in this country. They stared down their mates in the Liberal Party and said: ‘We reject your GP co-payment and what you are trying to do to Medicare.’ Then we saw the cuts to hospitals. There is a reason our hospitals are crying out against this government.

In my own electorate of Bendigo they cut $34 million from Bendigo Health—and $40 million from hospitals in total. That is from some of our smallest hospitals—the Kyneton hospital, the Heathcote hospital, the Castlemaine hospital—who are saying to me, ‘We’re actually better off not seeing patients, then we’ll break even. But the moment we start seeing patients we start going broke, because this government cut the operating budget and they are not paying their fair share to our hospitals.’

It has not stopped with the previous Prime Minister; it has continued under this Prime Minister. Malcolm Turnbull has brought back the exact same cuts as the previous Prime Minister. That only confirms one thing: this is a Liberal agenda. This is a Prime Minister that is purely and simply pursuing the Liberal agenda. We have known that, since the creation of Medicare, they will do anything to outsource, cut or sell off this public institution that ensures that Australians have universal access to health care. Why are they so opposed to ordinary Australians having decent access to Medicare? Why do they want to deny people in our community access to good quality health care through our Medicare system? These are questions that Australians have asked themselves for generations. Why do Liberals not understand it is something that Australians want? We are very happy to fight an election on this issue because when health is at the top of the priority list people do not look to the Liberals for answers; they look to Labor for the answers.
Then came today's great announcement that they are going to fatten up parts of Medicare and sell it off to the market. You can forgive for a moment the shock of the CEO of Australia Post who has been angling and saying Australia Post could help the government deliver some of these services. Australia Post, as we know, is a government entity, and the CEO was keen to talk to the government about how a government entity could support other parts of government in delivering services. But this government has completely bypassed Australia Post, an Australian government entity, and it is talking about going straight to the market. They are so obsessed with selling off public assets and public services that they have gone straight to the market and today in question time could not even a rule out whether overseas companies could bid for that contract.

The last thing Australians want when they are looking for support with Medicare is their public health care records going overseas. Australians hate the outsourcing. They hate Australian jobs going overseas, particularly when it comes to their public service, and the government needs to rule that out. The government needs to be honest with the Australian people. It needs to stop going after Medicare. It needs to reinvest in Medicare. It needs to put the funding back into health care and actually stand up for the institution.

For 20 years I have been asking people to sign a Medicare petition, Save Medicare. That trend is going to continue because this government does not seem to understand. *(Time expired)*

**Mrs SUDMALIS** (Gilmore) (16:10): Sometimes when I sit in this chamber and listen to opposition speakers I wonder if we are all living in the same universe. The perception of reality is so completely different it seems that their perception is not only rose coloured, it is fractured as if they are looking through a kaleidoscope. Do not get me wrong, I like some of those opposite. But, really, what are they looking at when they check expenditure proposals from their side?

I would like to begin my contribution by likening the national budget to an apple tree. Our revenue can be seen as the apples on this tree, available for consumption by the states for federally funded programs and, unfortunately at this moment, for paying off national debt. In the past, at the end of the last coalition government, though not recently, the whole of the apple crop—or the money, the national revenue—could be spent in Australia or on foreign aid or on hospitals, schools or tax cuts. Now a big chunk of the apple crop has to be allocated to paying back debt—to the tune of almost $12 billion a year.

Those opposite have this really weird understanding of the apple crop. You cannot keep allocating apples—or money—to projects beyond the number of apples that you actually have on the tree. In Reality Land outside the House—not the bubble of illusion that exists with those opposite—each of us in this room has a budget. It may involve a mortgage, electricity, fuel, rego, food and living costs. We stick to our budget or we face bankruptcy. What on earth makes those opposite even considered that the national budget is exempt from the same process of living within our means?

Each of us knows that health has absolutely no chance of being a revenue-producing industry. It is by its very essence a support expenditure for our citizens. It is crucial that every dollar we spend in this portfolio is having the greatest effect on health outcomes, not just spreading dollops of cash into programs with no benefit to the patients. This is not just a current need; this is a future need. We on this side of the House recognise that well-spent and
well-allocated dollars are the aim of a responsible government. In the past there were some members on the other side who also recognise this fact. Almost a year ago—and a couple of us have already quoted this—the opposition said about itself that it:

… would be kidding itself if it didn't recognise there were challenges in the budget and that savings needed to be found.

'There is no area that is going to be exempt,' …

'We have to look across the board.'

For the shadow minister for health, that is exactly what we are doing. I remind those opposite that trying to create a sustainable health system, including a sustainable Medicare, is not just a policy direction adopted by a conservative government; we are actually responsible for better economic management.

Let us just do a quick review of some of the most significant initiatives introduced by Labor to try to make health sustainable. During the Rudd-Gillard-Rudd years waiting times for elective surgery increased and the bureaucracy associated with health grew but—do you know what?—not the front-liners in the hospitals. Private health insurance went right up and dental services were cut. From the 2006-07 financial year to the 2011-12 financial year there was a 27 per cent increase in departmental staffing, very few of which were actually on the front line. In the 2011-12 and 2012-13 financial years $403 million was retrospectively cut from the health budget due to parameter miscalculations. Okay, we need a new abacus over there.

I have to remind those opposite that private health insurance is not the domain of the rich, so making cuts to anything that relates to that hurts many people who just want to take out health insurance to take them through their retirement years. We all know that in every region in Australia many city areas have a growing number of older Australians. By natural circumstance, this means there will be a much higher demand on our health system. If we do not work out a sustainable strategy now, then my children, their children and the grandchildren of those opposite—in fact, the whole of our next generation—are going to be seriously disadvantaged as they age.

We are not just representing the people of today; we are representing the Australians of the future, and we are duty-bound to get an economy that is sustainable so we can invest in our health resources, we can sustain Medicare, we can keep our community healthy, we can have services that mean something to our community and our doctors can be trained. For those opposite who said, 'We've got a shortage of doctors,' I hate to tell you this, but it takes about 10 years to get a doctor qualified and into the system. So leaving it to a last-minute announcement is not cool. We really have to work hard to make this a sustainable health system.

The DEPUTY SPEAKER (Mr Broadbent): The time allotted for this debate has expired.

STATEMENTS ON INDULGENCE

Health Care

Mr STEPHEN JONES (Throsby) (16:15): on indulgence—During a spirited but well-meaning exchange during the MPI, I was challenged by the member for Bass to name one hospital that was operating in New South Wales without a doctor. I want to take this
opportunity, which is the first available opportunity, to ensure that I have not misled the House.

The DEPUTY SPEAKER (Mr Broadbent): You can correct the record fairly quickly.

Mr STEPHEN JONES: I said during that exchange that it was Bega. In fact it was Pambula hospital, as reported in The Daily Telegraph on the first of this month.

MOTIONS

Minister for Human Services

Consideration resumed on the motion:

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

That the House:

(1) notes that:

(a) except where the Prime Minister has given permission to continue an interest in a family business, the Prime Minister's own Statement of Ministerial Standards puts a blanket ban on Ministers providing assistance to companies in a private capacity;

(b) the Minister for Veterans' Affairs provided assistance in a private capacity to Nimrod Resources to seal a mining deal with a Chinese state-owned company during a trip to China;

(c) the principal of Nimrod Resources who the minister accompanied to China has donated more than $2 million to the Liberal Party; and

(d) on the same trip, the Minister subsequently met with the Chinese Vice-Minister for Land and Resources; and

(2) calls on the Minister for Veterans' Affairs to immediately attend the House to provide a full explanation of his trip to China and explain why he has not breached the Prime Minister's Statement of Ministerial Standards.

The DEPUTY SPEAKER (Mr Broadbent) (16:16): In accordance with standing order 133(c), I shall now proceed to put the question on the motion moved earlier today by the honourable member for Isaacs, on which a division was called for and deferred in accordance with standing orders. No further debate is allowed. The question is that the motion be agreed to.

The House divided. [16:20]

(The Deputy Speaker—Mr Broadbent)

Ayes .......................53
Noes .........................84
Majority ..................31

AYES

Albanese, AN
Bird, SL
Brodmann, G
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M

Bandt, AP
Bowen, CE
Burke, AE
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
AYES

Elliot, MJ
Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husic, EN
Leigh, AK
MacTiernan, AJGC
Mitchell, RG
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Snowdon, WE
Thomson, KJ
Watts, TG
Zappia, A

Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
Macklin, JL
Marles, RD
Neumann, SK
O’Neil, CE
Parke, M
Pilberserk, TJ
Rishworth, AL
Ryan, JC (teller)
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

NOES

Abbott, AJ
Andrews, KL
Baldwin, RC
Bishop, BK
Briggs, JE
Broad, AJ
Brough, MT
Buchholz, S
Chester, D
Christensen, GR
Coleman, DB
Coulton, M (teller)
Dutton, PC
Entsch, WG
Fletcher, PW
Frydenberg, JA
Gambaro, T
Gillespie, DA
Goodenough, IR
Griggs, NL
Hastie, AW
Hawke, AG
Henderson, SM
Hendy, PW
Hogan, KJ
Howarth, LR
Hutchinson, ER
Irons, SJ
Jensen, DG
Jones, ET
Keenan, M
Kelly, C
Laming, A
Landry, ML
Laundy, C
Ley, SP
Macfarlane, IE
Marino, NB
Markus, LE
Matheson, RG
McCormack, MF
McNamara, KJ
Morrison, SJ
Nikolic, AA
O’Dowd, KD
O’Dwyer, KM
Pasin, A
Pitt, KJ
Porter, CC
Prentice, J
Price, ML
Pyne, CM
Ramsey, RE
Robb, AJ
Robert, SR
Roy, WB
Ruddock, PM
Scott, BC

CHAMBER
Ms CHESTERS (Bendigo) (16:27): In the few minutes that I have left I would like to finish reading the email that I received from Sharon. Sharon is somebody who is very concerned about this government's attempts to again cut family tax benefits A and B. In her email she pleads for this House not so support the measures in this bill. She says that the impact of cutting family tax benefit B would reduce her income to $290 per week and it is simply not enough for her and her 13-year-old daughter to survive on. She says that she has worked hard to try to find work in central Victoria but there are not a lot of jobs available for single parents that fit with caring arrangements. She said: 'As you know, central Victoria is a region of high unemployment, and I continue to look for work and apply, have the interviews and get rejected.' She has tried to do vocational training, but with the closure of some of our TAFE courses it is hard to get the extra training she requires. She says in the conclusion of her email: 'Please do not humiliate and punish my daughter and me any further, or thousands of other single parents. We need your support and not your cuts or these cruel measures.' I agree with Sharon, and she is brave to speak out and raise these issues. She and so many other single parents are the people that this government continues to attack with these harsh measures.

Since the 2014 budget this government has tried multiple times to cut family tax benefit A and family tax benefit B, which would push more single parents and more low-income families into poverty. Approximately 1.5 million families are going to lose family tax benefit A supplements, a cut of $700 per child per year. That is around 600,000 single-parent families and 500,000 families that are on the maximum rate, meaning their combined family income is less than $51,000 a year.

The average income in the Bendigo electorate is $53,000 a year. So lots and lots of families in the Bendigo electorate will be affected by this cut. One point three million families will lose family tax benefit B supplement—a cut of more than $350 per family per year.
These cuts being put forward by this government demonstrate one thing: it does not matter who the Prime Minister is; they are still mean and tricky. It does not matter who the Prime Minister is or who their front bench is; they are still going to go after those on the smallest of incomes in our community.

I cannot understand why there are not more regional Liberal and Nationals MPs speaking up against these changes. In the regions there are more of the families that will be affected by this change than in other parts of Australia. As I mentioned at the beginning of my speech, there are just under 20,000 families that will be affected in my own electorate, and 20,000 families in the seat of Mallee and the seat of Murray, and over 20,000 families in the seat of Wannon. That is a lot of regional Victoria that will be affected by these cuts. That is on top of already losing the schoolkids bonus, which will cease after this year. It is also on top of the government going after these workers' penalty rates and saying that people who work on a Sunday can cop a 37 per cent pay cut. This is on top of the increasing costs of the basics—the cost of electricity going up; the cost of rent going up; the cost of fuel going up. This government is also proposing a 15 per cent GST—a tax on a tax when it comes to the fuel excise.

People in central Victoria, in regional Victoria, do not trust this government when it comes to their incomes, and they have a right not to. These bills should be voted down. People in regional Victoria cannot afford these cuts, and the government should withdraw them.

Mr SIMPKINS (Cowan) (16:32): It is the first time I have seen no member of the Labor Party on the other side of the chamber—with the exception of you, Mr Deputy Speaker Mitchell. We hear the same lines as always from Labor. They are even still talking about a GST increase which the government has never advanced. They are trying to paint the Prime Minister falsely, according to old lines from six or 12 months ago.

The one consistency amongst all this is that the Labor Party always is the roadblock to the future of this nation. The history of the six years of their government was one of taking this country from a black ink position, where there was money in the bank and there were surpluses being run, and taking this country down into the red. You would think that there would have been lessons learnt from those days, but at every turn now we see—today in the MPI and today in question time we saw—the same old Labor Party: the Labor Party that will get in the way of every attempt to fix up the budget situation for the country. Labor has no credible savings plan. They plan to extort and raise massive amounts of money from those who are addicted to smoking—there is certainly that plan. But, really, when we talk about trying to reduce outputs—to reduce expenditure on the federal budget—the Labor Party is always in the way of trying to fix these problems up.

The member for Bendigo talked a lot—both before she was interrupted and at the conclusion of her remarks after the MPI—about the 20,000 families in every electorate who she says will be affected by the measures included in this bill. Well, I worry about a future where every family around this country will be impacted by our inability to get the budget under control. That is the future I worry about.

When I look at kids in the length and breadth of Cowan—whether it is those young kids just starting this year in kindy at Hawker Park Primary School in the west of Cowan, or those all the way over in East Beechboro Primary School and Lockridge Primary School in the east of Cowan, or those at Tapping Primary School in the north, and even Emmanuel Christian
Community School's primary kids right in the south of Cowan—I worry about their future, when I see the debt that faces us and the interest payments that face us now. If we cannot get more savings and if we cannot reduce expenditure, I worry about what their future is going to hold.

I understand that currently it is something like $12 billion to $13 billion just in interest payments for the debt levels of this country's federal budget. Unless we get some assistance from the other side, what is that going to look like in 15 years' time when those young people are going to be paying taxes? What is that interest payment going to be then, and what won't be able to be afforded then? They will look back upon this time and say, 'Why were we betrayed?' If they want to look back in the history books, they will be able to see what happened at the time. But they will want to know why they were betrayed—why their future was sold out, because no-one wanted to actually fight the fight here and no-one wanted to take some decisions here.

The Labor Party has been very good at saying to people, 'Just think about yourself. How evil is the government for trying to cut the money the taxpayers give you! How cruel the government is! How unfair and terrible the government is!'

In 15 years from now or 30 years from now, one or two generations in the future, what is going to be the Australia they inherit if there is crippling debt that was not reined in because this parliament—mainly the Senate—refused to do what needed to be done? Let's live now with handouts and those payments continuing, but what will happen in the future when future governments say: 'Actually, we don't have any money left for age pensions anymore.' There are not going to be any schoolkids bonuses in the future when interest payments get to $30 billion or $50 billion per year. Unless something is done, unless we get some cooperation or some realisation from the other side of politics that there is an issue that must be addressed, I do worry about the future. It will be my kids, your kids, your grandkids and my grandkids and, in the end, they will not be thanking us for what has happened in the last seven or eight years. So we have a responsibility and we recognise that on this side.

We can talk about the promise from the other side for Gonski. What happened with Gonski was that for four years there were modest increases in school funding that the other side of politics promised before the 2013 election and then they said, 'But in years 5 and 6, the ones that we don't have to include on the balance sheet, that's when the money goes sky-high.' Then we came to government and we realised that the payments in those years were not affordable. We are trying to pay for the NDIS, we are trying to pay for Defence spending that is necessary to replace ageing equipment and we need to pay for our welfare system. We cannot afford everything.

The bill is about trying to restore the budget and it is also about trying to improve the economic productivity that is going to come through a readjustment of $3 billion for the Jobs for Families Child Care Package. This has certainly been a focus of the government. It is important to put the resources in places where economic benefits are going to add value to the future, where Australian families and businesses can benefit whilst, at the same time, the economy grows through greater participation and productivity. It is absolutely the case that, through the childcare package that we are trying to finance, this will further add to the circumstances that we currently see, where female participation is at an all-time high. Productivity and participation rates—this is a good moment. A lot has been achieved and
more needs to be done. Currently, the family support payments cost $28 billion a year. That is a very large figure. It comprises the family tax benefit at $20 billion, the childcare benefit currently stands at around $6 billion and there is about $2 billion in the Paid Parental Leave scheme. Nothing is actually unfair about the measures proposed in this bill.

There are three elements to the bill and they include an increase of $10 per child for family tax benefit part A fortnightly rates up to the age of 19, a change to the rules and rates for family tax benefit part B, and a phased end to part A and part B supplements. There is no doubt that this is about an emphasis on those in most need, but it also acknowledges that there is a system that needs to be sustainable. It is not the Labor way, of course, to have a program that is sustainable, but that must be the way we proceed from here.

With regard to the government’s plans, what is actually going to happen? As we recall, with the assistance of the opposition there have been some limits placed on family tax benefit part B for couple families, other than grandparents, when their youngest child turns 13. We are proposing to make these changes from 1 July 2018, so that will give people plenty of warning of the changes to come. As I said before, the first element of this legislation is to, from that date, increase family tax benefit part A fortnightly rates by around $10 and also, in order to help align with family tax benefit part A, increase the fortnightly rates of youth allowance and disability support pension. It is in this case that, by the start date, there will be an increase to 1.2 million families around the country.

Obviously, as I said before, what we want to do is try to increase participation rates. More support is provided under family tax benefit part B when the children are born and more is asked for when the youngest child is older. From 1 July this year, family tax benefit part B, for those with a child under the age of one, will get a $1,000 per year increase. As previously announced, there will be a continuation of current standard rates for families with a youngest child aged between one and 13. Recognising the challenges for older parents, those standard rates will also be held for single parents 60 years and older and for grandparent carers and great-grandparent carers with a youngest child aged between 13 and 18. Where a parent is under 60 years old, there will be a reduced standard rate of $1,000, and that is in the case of a single-parent family where the youngest child is aged between 13 and 16. We know the role of parents and the importance of parents in raising their children properly. They should have support, but it must be targeted and based upon their abilities, and that must be sustainable as well. Ultimately, it must be paid for and it must be affordable.

As I said at the start, we also have the proposal to phase out the end-of-year family tax benefit supplements. The supplements will be reduced in 2016-17 and 2017-18 before being abolished in 2018-19. They were created to reduce the risk of unexpected debt repayments due to what amounted to difficulties with predicting income levels over the financial year. Technology has moved on and in the coming years more accurate reporting of real income will eliminate or greatly reduce the risk of any such debt.

I say again that none of what is proposed is unreasonable. It is not unfair. What would be unfair is imposing massive debt on future generations or possibly there being no safety net or family support in the future because of debt and deficit levels. As the minister has already said, it is great that Labor has supported the changes to family tax benefit part B for couple families, other than grandparents, but $520 million in savings is not enough to get the job done. All the savings are required to fund the childcare package and to help restore the
Targeted savings, a plan to increase productivity and participation, while at the same

time helping to fix the budget, is what this country really needs now and what future
generations expect of us.

I go back to where I started. Looking to the future, we need to act now. We need to fulfil
our responsibility to those who follow us so that they do not look back upon this time and ask,
'Why did they sell our future for the gains of the moment?' It is time to live within our means
and do something for the future of this great country, so I commend the bill to the House.

Ms BRODTMANN (Canberra) (16:46): I rise to oppose the Social Services Legislation
Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2)
2015. In doing so, I join my Labor colleagues in calling, as we have been doing since 2014,
for this government to go back to the drawing board on family payments and to come back
with fair savings that will not target and hurt low- and middle-income families.

This bill that we are debating today demonstrates that, while we might have a new Prime
Minister, nothing has changed. It is 2014 all over again. This is still the same government
making the same cruel cuts that target low- and middle-income families. In fact, the Prime
Minister's new cuts to families will leave some families worse off than the former Prime
Minister's cuts would have done.

I remember 2014. I remember that hideous budget. That budget attacked and cut at the core
of what Australia is all about. It cut at our values. I remember that around the time the budget
was released I went and did a number of mobile offices to take the pulse of my community
and get a sense of whatCanberrans were thinking about the budget. It was shocking saying
how manyCanberrans were terrified about the plans of the thenAbbott government in its
2014 budget and its incredibly harsh cuts. The harsh cuts targeted low- and middle-income
families and the most vulnerable in our community, such as those on the disability support
pension, single mothers and families doing it tough. That budget targeted them and many
others. As I said, I remember doorknocking at the time and discovering thatCanberrans were
terrified. They were fearful. They were in shock that a government could do this to them and
that it could cut at the values that Australians value so strongly and into the very social fabric
of our community.

There was one woman in particular I remember. She was a single mother. I knocked on her
door and said, 'I would be grateful for your feedback on the budget.' She said to me, 'No, I
really don't have much to say.' Then obviously she collected her thoughts because she came
running down the street after me in tears. She talked about the fact that she was terrified about
what was going to happen to her and her child. She was terrified about the fact that she would
not be able to send her child to university. She was terrified about the fact that she would not
be able to support her child through school. She was terrified, running down the street in tears
to pass on her views and have her say. That is what the government did in 2014 to Canberrans
and other Australians. I am sure her experience was not unique.

It is absolutely outrageous that this government, as it did then, continues to target low- and
middle-income families. Under this bill, 1.5 million families are going to lose their family tax
benefit pa rt A supplement, a cut of more than $700 per child every year. Around 600,000 of
these families are single-parent families. We are talking about the size of the Tasmanian
population plus an extra 100,000. Here in Canberra we are going to reach a population of
400,000 shortly, so that is the population of Canberra and 200,000 extra. Around 500,000 of
these families are on the maximum rate. Many are on a combined family income of less than $51,000 per year. About 1.3 million families will lose their family tax benefit part B supplement, which is a cut of more than $350 per family every year. Single-parent families will be hit even harder, having their family tax benefit part B reduced to $1,000 per year when their youngest child turns 13 and then cut entirely when their youngest child turns 16. Age 16, when things start getting really expensive when it comes to clothes and shoes, is when the family tax benefit part B will cut out entirely.

When it comes to fairness, this Prime Minister, as I said, is no better than the former Prime Minister. He still refuses to make multinationals pay their fair share in tax. He still refuses to curb generous tax concessions for wealthy superannuants. Instead, he would rather take money from the pockets of ordinary Australians in low- and middle-income families and then slug them with a 15 per cent GST. Of all the cruel cuts that those opposite have inflicted since coming to government—and I just recall again that hideous, harsh and cruel budget of 2014—to me this one feels especially personal.

I have spoken many times in this place about growing up in a single-parent household, about my father walking out on us when I was 11, leaving me, my two sisters and my mother with just $30 in the bank. I have spoken about how hard this made life for my mother, my sisters and me, especially in those early years. In the early years, just after he left, mum had $30 in the bank and was not working at the time. We were eating dinner out at the homes of friends and family every second night because Mum could not afford to put a meal on the table every night of the week. So I thank our dear friends and our dear family, who I acknowledged in my first speech in this place. They helped us out during those very, very difficult times. It was not just for a short period of time; those difficult times went on for about two years, when we were eating out every second night at the homes of family and friends. Again, I thank those people. They know who they are. I love them dearly, and I again want to thank them for getting us through those tough times.

I was reminded about how my sisters and I could not afford to go on school camps and about seeing friends go off on school camps but Mum could not afford to send us. I know what it is like to be the child of a single mother, and I know what it is like to be the child of a single mother who is doing it tough. That is why I oppose this bill and these cruel cuts, which are targeted at single-parent families.

In the last couple of weeks, children across Australia have gone back to school. As we celebrated the start of the 2016 school year, I reflected on my own back-to-school experience growing up. Despite our financial hardship, my mother would save all year so at the start of the school year my sisters and I would get a new pair of school shoes. At the time, as a young girl, this annual shoe-shopping trip was not a pleasant experience, because I was filled with envy and despair—envy of my friends who got the fancy Mary Janes with the little heart shapes on them or the school shoes that left tiger paw prints on the ground as you walked; I think they were called Adventurers and the Mary Janes with the little hearts were called Lipsticks. I really, really coveted those shoes. Despite that, my shoes had to last for a whole year—as did my sisters’ shoes. So we got the very sturdy and the very utilitarian basic issue shoes with laces and round toes, and that was about it. There was not much excitement about our school shoes. They were the most economical school shoes that mum could afford, and they had, as I said, to last for a full year. So, each night, we had to polish them and we were
not allowed out the door if they were not polished. I talk about these sorts of experiences because they really do make me empathise with those people who are going to be experiencing these cuts from this government. It is only really as an adult that I realise what enormous sacrifices my dear mother had to make for us to meet the most basic school needs.

As I said, I know all too well the pressures of a single-parent household. Yet a lot has changed since that time. When my father left, there was no such thing as the Child Support Agency let alone the family tax benefit. So we relied, as I said, on the generosity of friends and family. But what we do know—what we all hear every day when we are out and about in our electorates—is that single parents are still doing it tough. Just last month I received an email that exemplified this from a single mother. She was writing to me about the cost of parking at her work, which had recently increased. This increase was going to be enough to break her carefully planned, carefully managed weekly budget. Now in her email she was despairing at this increase in the cost of parking, but what I read was that the parking was simply the straw that broke the camel's back. If your budget is so tightly configured that an increase in parking costs can break you, then times are tough. There are many people out in my community, as there are right throughout Australia, for whom an increase in parking costs can send them over the edge. It is really painful to receive those letters and to speak to those people—women, particularly—who have all their budgets mapped out in an Excel spreadsheet. A number of them that I speak to have spent time talking with their mother or their father to try and get their budget under control. Every penny is accounted for; every penny is saved. They are just trying to do their best by their kids, they are just trying to get them through school, they are just trying to keep a roof over their heads and they are just trying to keep food on the table. They do it tough, and every penny is watched.

As I said, this is the reality for many single parents today. I am sure that every member in this place from every side of the chamber knows this. They have met those single parents in their electorates who are struggling to make ends meet, and an increase in parking costs can send them over the edge. Yet with this legislation, this Turnbull government is seeking to make things even tougher for single-parent families. Under this bill, there will be a reduction in family tax benefit part B for single-parent families when their youngest child turns 13. There will be around 136,000 single parents with children aged over 13 who will have their family tax benefit B reduced to $1,000 in 2016—a cut of around $1,700 a year. Single parents with children over the age of 16 will have their family tax benefit cut entirely, and that means they will lose $3,100.

Some of my colleagues have pointed out—and I agree with them—what will this mean for the 16-year-old child? Will they stay in school, or will they feel pressured to leave school to start work to earn some much needed money for their family? I echo my colleagues' concerns that this measure could be a disincentive for 16-year-olds to stay in school for their final two years. This government goes on about the innovation nation. So much for an innovation nation when people are having to pull out of school and cannot even build their skills to take part in that future in an active and productive way.

But it is not just single-parent families that are being targeted with this bill. Over two years, there is also going to be a rapid phase-out of family tax benefit A and B end-of-year supplements. The family tax benefit A supplement will be reduced to $602.25 from 1 July this year, then to $302.95 from 1 July next year and abolished entirely the year after. This will
impact 1.5 million Australian families, and we know that around 500,000 of those families are on combined incomes of less than $50,000 a year. The impact of these cuts will be compounded by cuts to family tax benefit part B, which will be reduced, as I have mentioned, in a range of ways.

But, among all of the cuts in this bill, we can also see the reintroduction of the baby bonus—a new baby bonus in the form of a new rate of family tax benefit part B that will be introduced for families with children aged under one. Despite all of this government's rhetoric about simplifying the welfare system, despite the government's rhetoric about budget repair, despite the rhetoric and that famous line that 'the age of entitlement is over'—a new baby bonus! Deputy Speaker Mitchell, can you believe it? This bill just defies logic.

Labor has demonstrated time and time again that we are not opposed to fair and reasonable changes to family payments. We have already accepted around $2.5 billion in savings from the family payments system since the 2013 election. We have also agreed to $500 million in savings that restrict eligibility for family tax benefit part B. But we will not support those measures that target the most vulnerable in our community—and this bill does just that. Labor has fought hard to protect these families and we will continue to do so, because the measures the government has proposed are fundamentally unfair. Because of Labor's campaign, the government has backed down on two of the measures from last year's budget—their plan to freeze family tax benefit rates and certain eligibility thresholds. And because of Labor's pressure, the Turnbull government finally scrapped its appalling cuts to grandparent carers, which was absolutely outrageous.

I want to echo the words of my colleague the member for Jagajaga, who, in her contribution on this bill yesterday, implored the Prime Minister that 'enough is enough'. Enough is enough, Prime Minister. These changes to family payments will result in families being up to $5,000 a year worse off. How is this fair? How is this equitable? This bill demonstrates just one thing: it does no matter who leads the Liberal Party, the policies remain the same. We have seen again and again that the policies of this government target those who can least afford it. This government targets low- and middle-income families and, in this case, single parent families. Think of the children of those single parents. They are being targeted as well. Enough is enough, Prime Minister! Labor will not support these cruel cuts and nor will the Australian people.

Mr VAN MANEN (Forde) (17:01): It is always a pleasure to follow the member for Canberra, who, despite being on the other side of the chamber, is a good friend. Some of the comments made by the member for Canberra require a little illumination, because the interesting thing about this debate on the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015 is that nowhere have those on the other side mentioned the purpose for which the supplement was introduced in the first place.

The supplement was originally introduced for the purpose of minimising the amount of debt people got into as a result of fluctuations in, or overestimations or underestimations of, their earnings during the course of the financial year. The supplement was utilised to ensure that they did not finish up with a debt at the end of the financial year if they did not properly calculate the income they were going to earn. So the supplement was there for a very specific purpose. It was not there to become part of or a fixture of the family tax benefit part A or part
B system. The necessity for these changes has been well articulated by my colleagues on this side of the House in terms of their seeking to repair the damage to the budget and the finances of this country left by those opposite after their six years in government—the Rudd-Gillard-Rudd government.

This bill contains three measures that are, importantly, aimed at creating long-term sustainability for our family payment system while continuing to deliver help to families who need it most. It was mentioned by a colleague earlier that our family support system totals some $28 billion a year—$20 billion in family tax benefits, another $6 billion in child care and some $2 billion in paid parental leave. I think it is safe to say that we live in a country where we are lucky to be able to support those people in our community who need it most. I think it would be fair to say that our family support system of family tax benefits, childcare benefits and paid parental leave is one of the most generous and broad ranging in the world. I recognise that there are many families in my electorate who rely on family tax benefit payments to assist with the day-to-day costs of raising their children. We as a government well recognise the importance of families being able to raise happy, healthy children, because they are the next generation of this country. As the next generation that is going to take this country forward, one of the things I do not want to see happen is it being left with an enormous burden of debt. That is part of the reason for trying to get the budget back into order now. It is so that we can continue that process of budget repair and not leave future generations a legacy of debt and deficit. Not only that; the savings generated through this bill are not being squandered, as they probably would have been by those opposite, but rather they are going into another package of measures to support families.

Just to cover off on some of the changes in the package: the first measure is to increase the family tax benefit part A fortnightly rate by around $10 for each family tax benefit child in the family aged up to 19 years of age. The second measure amends the rules and introduces a new rate restructure for the family tax benefit part B. The third measure will phase out the family tax benefit part A and part B supplements. This family payment reform package will, as I have said previously, greatly assist in the important task of repairing the budget, and it will also help pay for the government’s $3 billion Jobs for Families child care package. With the many things that the government are doing, you have to look at the totality of the packages that we are putting together to improve the budget and the services and support that we provide to families—it is not just one or the other.

This bill seeks to continue the budget repair process. The government has already passed a number of changes which limit family tax benefit part B for couples, other than grandparents, when the youngest child turns 13. I acknowledge that those opposite have contributed somewhat to the task of budget repair; but, as we all know, there is far more to be done in terms of the savings that we have legislated through this House and that have been held up in the Senate.

If they saw fit to pass those bills, it would continue to make the process of budget repair so much quicker and more efficient for everyone concerned.

As I touched on, this bill proposes to increase the Family Tax Benefit Part A by around $10 a fortnight from 1 July 2018, as well as increase the fortnightly rates of Youth Allowance and the Disability Support Pension to align with the new Family Tax Benefit Part A fortnightly rates. Around 1.2 million families across Australia, including those on income support, will
receive the fortnightly increase to assist them with day-to-day living expenses. Under the second measure of this bill, the Family Tax Benefit Part B payment structures will be reformed to provide more support to families when their children are born and better encourage workforce participation when the youngest child is older and their ability to participate in the workforce is enhanced. From 1 July 2016 the standard rate for Family Tax Benefit Part B will be increased by $1000 a year for families with a youngest child under one, helping some 142,000 families. The current standard rates will be maintained for families with the youngest child aged between one and 13. The standard rates will also be maintained for single parents who are at least 60 years of age and grandparents and grandparent carers with the youngest child aged between 13 and 18. A reduced standard rate of $1000 will apply to single parent families where the parent is under 60 and the youngest child is aged between 13 and 16 to encourage better workforce participation.

The government acknowledges the important role of parents as the primary carers of their children, and, as I have touched on earlier, it maintains a range of programs and payments to support them—all up, at a cost of some $28 billion per annum. We continue to focus on ensuring that we provide these support systems to families in our community, as it is incredibly important that they have that there.

The third measure the bill proposes is to phase out the Family Tax Benefit Part A and Part B end-of-year supplements. These supplements will be reduced in 2016-17 and again in 2017-18 before being abolished in 2018-19. For the benefit of those opposite, the supplements were introduced to mitigate the risk of debt after reconciliation of people's financial affairs at the end of each financial year, but with the introduction of the single tax payroll in 2019-20 most employers will be participating and the need for the end-of-year family tax benefit reconciliation will be greatly reduced. The single tax payroll will be rolled out through 2017-18 and 2018-19, and this will result in the reporting of families' real-time income. We believe this will minimise the risk of underreporting income and subsequent debts. Therefore, we see the supplements, which were there to mitigate the risk of debt, as no longer required.

The government believes these are sensible changes aimed at ensuring sustainability of the family payment system and continued support to families who need it most now and into the future. It is by continuing to focus on ensuring that we maintain a sensible, long-term system not just for those who are receiving benefits today or tomorrow but for those who will or may require those benefits in the years to come. In addition, these savings are being reinvested in a childcare package to support families and encourage workforce participation. I commend this build the House.

**Mr CHAMPION** (Wakefield) (17:11): It is always a great pleasure to follow my colleague, although I do feel sorry for the people in the gallery—they must be pretty bored after that presentation. This bloke could bore for Australia; he could get gold medals—whereas, as the assistant minister knows, I always provoke a reaction from the other side of the House. That is because I like to point out this government's problems. We know they have a problem. Since they have been in power, they have basically attacked families, attacked the working class, attacked the middle class and they have turned their backs on progressive voters everywhere.

Look at their agenda. A GST—they have flown the GST kite; it has gone up, spun around a few times and then the Prime Minister brought it down; it hit the ground and now the
Treasurer is trying desperately to stick it up in the air again. We know what they want to do on penalty rates; they want to go after people's penalty rates. We know that is part of their agenda, and we know that they are after Medicare—cuts to pathology and now they want to privatise the administration of Medicare. Believe you me, that is just the beginning of their attempts to privatise it. We know about the horror 2014 budget—$80 billion worth of cuts and Medicare under attack by GP co-payment. That GP co-payment would have cost $7 not only every time you saw the doctor, but every time you went to the pathologist or every time you went for a blood test or a scan. They were going to charge $7 dollars a time. Now they have resorted in the latest budget to cutting GP rebates, and so they are doing it by stealth. They are forcing every general practitioner and every pathologist in the country to turn into a de facto tax collector by cutting the rebates they get.

We have the slowest wage growth since I do not know when, but it is slow—ask anybody out there on the street about their wages. We know people who rely on penalty rates for their weekly income—and when banks ask for that as part of your loan application you know that it is an important part of people's income—we know the government is giving no security about that. Pensioners also came under attack; we saw the pre-reformed version of this government go after pensioner concessions. I mean how bad do you have to be to go after pensioners and their concessions? In South Australia we saw some $18 million in concessions ripped out. Interestingly enough, one of the manifestations of that is the suspension of the train between Adelaide and Melbourne, because the ripping away of those concessions destroyed the market for that train.

This is a completely divided government with a menacing agenda for the Australian people. We heard this lot's rhetoric before the last election; we heard about the perils of divided government—and I have been on the record in this House many times before as saying you should not remove a first-term prime minister. They swore they would never do it—they ran around the country telling us all about the great sin of removing a prime minister in the dead of night—and then they removed not only a prime minister but also a treasurer, an industry minister, a defence minister and the majority of the National Security Committee of Cabinet. And they shuffled various other people around. There is a new communications minister and there is a new infrastructure minister. I cannot keep count. We also lost a couple of ministers over Christmas—and we are looking down the barrel of getting a hat-trick. So we know that this government's record is simple terrible.

And what are they doing in this bill? They are trying to balance the budget. The former Treasurer, Mr Hockey, is now the Ambassador to the United States—and we all wish him well there. But what did Mr Hockey try to do? He tried to balance the budget on the backs of working people. What did he say before the election? He said that he would get us back into surplus straightaway. I think that is the impression he gave. Certainly, that was the impression that was given in my electorate—that he would just click his fingers and we would be back in surplus, that we only had to vote Liberal and the rays of economic sunshine would descend on us all!

But what do we get now? They have pushed up debt and borrowings. The budget has blown out. We heard a lot of tough talk before the election. But what are they doing after the election? They are cutting people's incomes. Under this bill—

*Mr Ewen Jones interjecting*
Mr CHAMPION: This is just a preamble! It is nice to know that I have got at least one fan, the member for Herbert; and we often have a bit of a debate in this building. But, would you believe it, this bill is actually worse than Tony Abbott's bill; it is worse than some of Mr Abbott's cuts. So 1.5 million families are going to lose their family tax benefit part A, a cut of more than $700 per child every year. Around 600,000 of those families are single-parent families. I grew up in a single-parent family. My mum was a teacher. It is very tough when you are a single-parent family. It is interesting. I will give you some figures later about how this might affect my electorate. This is a very cruel thing to do to families who are working very hard. And we know that they do their best to remain in the workforce and literally raise their children single-handedly. Around 500,000 of those families are on the maximum rate. That means they are on a combined family income of less than $51,000 a year. And 1.3 million families will lose family tax benefit part B, a cut of more than $350 per family every year. Of course, single-parent families are again hit harder. They will have their family tax benefit part B reduced to $1,000 per year when the youngest child turns 13 and entirely cut off when that child turns 16.

Think about the consequences of that in the real world. Anybody who has actually lived in the real world, anybody who has tried to get by on a working income or tried to raise kids, would know it is incredibly tough. But I will tell you who is not in the real world, and that is our new Prime Minister. He has been in power for all of 141 days, thanks to the cowardice and betrayal of those opposite. And we know how they all plotted—not the people in the room at the moment. I do not think the member for Herbert was part of those shenanigans. No doubt he was sunning himself up there in Queensland, and he is a pretty straight shooter. But I can tell you that there are some people sitting on the frontbench who are not straight shooters. They all met at in Queanbeyan like a pack of thieves in the night.

Mr Ewen Jones: The bill?

Mr CHAMPION: I will tell you about the bill. But there is an interesting thing first. In the electorate of the member for Wentworth, the person they installed as Prime Minister, there are 3,003 recipients of family tax benefit part A and 2,712 recipients of family tax benefit part B. In my electorate, there are 17,008 recipients of family tax benefit part A and 14,676 recipients of family tax benefit part B. My electorate is the real world; it is not where the Prime Minister lives. With all due respect to the member for Wentworth's electors, who I am sure are lovely people, they do not live on the edge—where family incomes are so precious, where people live from week to week.

When you represent one of these electorates, you are constantly aware of just how tight people's budgets are. So you would not try and balance the budget on their backs; you would not put the burden of revenue raising or of making efficiencies in government on their backs. Yet this is what this government is doing. And we know what they promised at the last election. They promised that there would be no cuts and they were going to get rid of the carbon tax and the mining tax. The carbon tax lost about $6 billion in revenue. They gave that away. They were going to have a budget surplus.

Mr Ewen Jones: Fix the budget.

Mr CHAMPION: They were going to fix the budget—thanks very much. And we were going to have 'adult government'. That was a promise I remember. And what have we had? We have had a divided government. We know what the Prime Minister, the member for
Wentworth, did when Mr Abbott was Prime Minister. We know what he did at the cabinet table. Mr Abbott was coming up with one crazy idea after another—$80 billion worth of cuts. What did Malcolm Turnbull do? He just sat back in his chair. When Mr Abbott wanted to introduce the GP tax, what did Malcolm Turnbull do at the cabinet table? He just sat back.

I understand that people were so relieved to get rid of the member for Warringah, who will be seen forever as a kind of accidental Prime Minister—people will always regard him with this kind of odd, 'What was going on there?'—and see Malcolm Turnbull turn up that they were inclined to give him the benefit of the doubt. But we now know that he does not deserve it at all, because what is he trying to do? He is trying to alter the GST. And who does that affect? It affects people on fixed incomes—pensioners, who were robbed of their concessions—and low-paid workers who are not in the tax system. They are not in the tax system in effect because Labor tripled the tax-free threshold and took thousands of workers out of the tax system. People who are working hard but earning less than $18,000 a year cannot be compensated for the GST at all, and some of those people are the families in my electorate that I mentioned before who are in receipt of these family tax benefit payments.

You have to remember that these payments—family tax benefit A and family tax benefit B—were introduced by the Howard government. Their predecessor, the Hawke government, brought these things in. There has been a long history of Labor in government making payments to families to make sure that family budgets are secure, and that is good for the country. Interestingly enough, John Howard knew it was good for the country too. He knew it was good for the stability of the family unit.

What do we have here from the government—this divided, treacherous bunch, who cannot keep their word and who have not fulfilled one single commitment that they gave to the people at the last election? They promised a united government but gave us a divided government. They promised an adult government but we have these juvenile games. They promised to balance the budget but they did not balance the budget. They promised not to change the GST, but will probably—maybe, I do not know—be changing the GST. They said that workers' wages would be okay, but of course they are after your penalty rates. They said that Medicare was okay but of course they are hacking into doctors' rebates. So we know what those opposite are up to.

Mr Ciobo: I'm getting depressed.

Mr CHAMPION: The minister says that he is getting depressed listening to me. I would be depressed. Frankly, I would be embarrassed if I were him. Assistant Minister, are you in line for a promotion? We know there is going to be a reshuffle when the Leader of the National Party finally has enough numbers to knock off Barnaby or at least to install some restraint upon him.

Mr Ewen Jones: You have 90 seconds left, Nick.

Mr CHAMPION: Yes, 90 seconds. So the reshuffle is in train. I know my good friend opposite will be one day a minister. He was in the shadow ministry many years ago. He was unfairly turfed out.

Mr Ciobo: I'm actually a minister now. I didn't bother correcting you.

Mr CHAMPION: Are you a minister now? You are an assistant minister though, aren't you? That is not a minister; that is a parliamentary secretary, that is what they actually call
them. But to return to the bill: this is an egregious attack on families. No amount of interjection and comedy from those opposite—and we know the member for Herbert is a comedian—and no amount of chicanery or joviality will mask that this is an attack on families. It is an attack on their budgets. It is an attack particularly on people who live in my electorate and work hard and rely on every dollar every week just to get by. That is why this bill is being opposed by the Labor Party and that is why it should be opposed by the Australian people.

The DEPUTY SPEAKER (Mr Mitchell): Just to clarify: Mr Ciobo is in fact the Minister for International Development and the Pacific.

Mr EWEN JONES (Herbert—Government Whip) (17:26): I like the member for Wakefield. I am always glad when I am in here with him, but he said that the member for Forde had bored him to death when the member for Forde spoke to the bill—he understood exactly what the bill was about and had reasoned debate about the bill. We also sat here as the member for Wakefield did his best impersonation of the member for Shortland—15 minutes of fill; ‘Can we get through to half past six so we can all go to dinner?’ That is what the member for Wakefield did. No-one in this country is any wiser after those 15 minutes. I would rather put out cigarettes on my eyes than go through that again.

I rise to speak on the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015. The package includes increasing family tax benefit part A fortnightly rates by about $10 for each FTB child in the family up to the age of 19. It also seeks to amend the rules and introduce a new rate structure for FTB part B and to phase out the FTB part A and part B supplements. These are the changes we are making but in my contribution today I would like to concentrate on supporting the notion that governments must live within their means. I see no better example of where governments can do this than our work on the family tax system. This is the part of our social security system that people in my electorate raise with me most regularly. Those who have it do not want to lose it or have it changed and those who have never got it cannot see the sense in it. This is one of the reasons I came to this place. The reforms in this package must be at the forefront of any message we as parliamentarians—not just in the Liberal Party or the LNP—send to our constituents when it comes to living within our means.

The family tax benefits scheme, which we are dealing with here, was a Howard government initiative. It was his government's way of saying thank you to the people who had done the hard yards when it came to repaying the $96 billion Labor black hole from the Keating period. These are the families who backed the Howard government when it came to the introduction of the GST. These are the people who went about their work and did the heavy lifting to get the budget back into surplus. We need their help again.

Whilst we have an economy that remains in good shape we have a country that seems down on confidence as we transition from the construction phase and the mining boom. My city of Townsville is a prime example of that. We also see a budget that is under great strain and we have structural issues around this budget that must be addressed. And this is part of it.

Just like every family, government should live within its means. There are times when you will spend more than you earn. For those of us who have children, you know what I am talking about. The member for Wakefield spoke about being brought up in a single-parent family. I was a single parent for a very short time myself and when I remarried we had a child.
straight away, so we had an extended period where we only had one income. I understand. It hurts. It does not matter what your suburb is, it hurts. For government, the first stimulus package when the GFC hit is a prime example of spending more than you receive but for a purpose. We spent more than we earned but it was for a good reason. Now, however, we need to get our budget back in order.

I do not want to oversimplify the issue. Our budget is a very big deal and incredibly complicated. But we also have an opposition that talks a good game, when it comes to savings measures, but it opposes just about everything we do to bring order back into the system. Here is a prime example: all of us, here, want the budget to be in order or, at least, we should. I discount the Greens and the crossbenchers. They do not, really, have a role here. But there are two sides of this parliament who get control of the Treasury benches. They are the ones who believe, in the long term, that you should live within your means and grow in the term of the cycle.

We all understand that we have philosophical differences on how to get our budget back into order. That is the nature of the place and that is the system of our politics. That is why people change governments, from time to time. But when you win an election with one of your four key pillar promises being to fix the budget mess, you should not be unduly hindered in your work to do just that. Let the people decide what sort of job we do—not the Senate.

This is the central issue in the debate today. We were elected to fix the budget. To that end, there are two sides to any budget—be it a multinational conglomerate, a small business, a family, a P&C or a single person. There are just two sides to your budget that need to be addressed: you have income and you have expenditure. That is all. Anyone in business will tell you that the only thing you can control is your expenditure. What we are trying to address, here, is sustainability of support now and into the future. Budget repair is vital.

Getting people ready to work and supporting them in that pursuit is also vital. This bill works alongside our $3 billion Jobs for Families and childcare package. I understand the other side has a philosophical bent against this but, gee, we won the election, guys, and you should be prepared to back us on that. There are those who believe that the family is sacrosanct and should be supported. There is certainly a case for that. But, at the end of the day, what we as the government must do is use our best judgement. We earned the trust placed in us by the people of Australia to right this ship and get it heading in the right direction. We deserve to exercise that right. What we as a generation must do is decide if we are to be the ones who draw the line in the sand and say, 'We can fix this. This is our job.' Or do we just continue down the path of borrowing each and every day and run programs that allow people to not work or participate in our society?

From my perspective, just because the Whitlam, Fraser, Hawke, Keating and Howard governments drove down the road handing out cash to everyone—for everything—it does not mean we should, could, or even can do the same. We speak a lot about the lives we want to make for our children, the next generation. We can start with this. Our system of social security benefits and family payments has become a nightmare for all who try to navigate the system. As a one-time participant in this, it is an absolute nightmare. All of us in our electoral offices are besieged by people with problems with this system. The poor men and women at Centrelink are continually challenged to explain our latest manifestation of the social security system to a population who just stand there, with their eyes glazed over, getting more and
more confused by this system. The money handed out through the social security system is taxpayers' money. It is not earned by the recipients. It is not free.

Since being elected, the word I have come to hate the most is the word 'free'. It drives me deadset batty. We want free internet. We want free education. We want free health. We want free access to roads and bridges. We want it all for free. But nothing is free. Even our opinions come at a cost to the education system. It all costs cold hard taxpayers' cash. The cost of our social security system is over $150 billion each and every year—and growing. And I am using round figures, here.

The average Australian wage in 2015 was $74,724. That means that our social security budget is more than two million times that of the average wage. That is every year! The biggest ever Australian Lotto jackpot was $80 million. Our social security budget is 1,875 times larger than our biggest ever Lotto win. That means that if you were lucky enough to win $80 million in the Lotto each and every week you would have to do it 1,875 times—in a row—to get one year's social security payment. That is more than 36 years of winning the Lotto—at $80 million a week—to equal one year's social security. And that is just this year. We, simply, have to do better or we will lose this fight.

I have three children. My eldest is telling me that she is not really interested in superannuation or social security. Her reasoning is that no matter which side is in power, eventually, we will just see it as a big bucket of money and tax the living daylights out of it. She is 22

When I was 22 I reasoned that by the time I was 65 there would be no pension, and superannuation was vital. It looks like I might be wrong on the prediction about the pension, but I was right on superannuation: it is vital. But the message we have got from people out there who should be interested in this thing is that it is all too much. We have made everything so complicated and so overwhelming for people. It is time to send the basic message from government that we can live within our means.

We are not helping anyone by deferring the decisions on our budget's sustainability. If we lose our ability to run our own budget, the ability to run the country is lost soon after. That is a long way down the track, so I do not want to sound alarmist here. But it takes a long time to turn a big ship around. It will take hard work as well.

What we are after here is a change in the mix and the reason for people receiving the benefit. What we are after here is participation in the workforce. That is why we need to look at how we, as a government, do business and work our capital. We should be asking ourselves these questions every day: are we doing everything we can to get people in work; are we working government capital hard enough; is this capital washing through or is it just some levels of our economy which are getting the benefits?

These are the areas on which we must focus. These are the areas we need to address if we are to live within our means. Saying it is too hard is too easy. You will see the other side continually say that they are for working families and it is all too hard and we have got to find other areas and we will put it off and it will be a tobacco-excise-led recovery and all that sort of stuff that they will go on. At the end of the day you have to pony up and make the decisions. Telling each other that others can pay and that it is all right for you to keep on
getting it but somebody else can pay is all so easy. What is hard is standing up and saying that
we are all part of the answer. We can all be part of the solution, but it will mean that we have
to make decisions. The hard part about making decisions is that some will not be happy with
the outcome.

The family tax benefit scheme was a fantastic way of saying thank you to families who
stood with John Howard and his government and did the hard yards from 1996 to 2007. In
those days our government was assisted with rising terms of trade and the first mining boom.
We had rivers of gold coming into this place. We have a different set of circumstances today
and we must recognise this and act accordingly. This is where the hard work must be directed.

These changes are necessary. These changes are fair. They recognise where we are in the
economic cycle. They encourage participation in the workforce. They are, to me, a good start.

Before I commend the bill to the House, I would just like to make one final point.
Yesterday on one of these other social security measures we had the member for Denison and
the member for Melbourne divide on a bill that had bipartisan support. We divided on saving
$40 million out of the social security budget over the forward estimates. That is $10 million a
year that they were prepared to say is too much out of a budget of around $160 billion. That is
what the crossbenchers are up to here. It is the ultimate in populism to sit there and say, 'We
voted against it because we think everything's fine, and if we could just get multinationals to
pay an extra $2 billion everyone would be okay.' The numbers are a lot bigger than that and a
lot tougher than that, and if we do not start the work it will never get done. If we keep on
passing the buck to the next parliament it will never get done. This is a good start, and I
commend the bill to the House.

Mrs ELLIOT (Richmond) (17:40): I rise to speak on the Social Services Legislation
Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2)
2015. This bill is yet another example of the Turnbull Liberal-National government's
continuous attack upon families. We see it on so many different occasions, and this comes on
top of many other harsh measures that have impacted families right across the country. In
fact, this bill continues the trend of budgetary cuts affecting families and, indeed, the most
vulnerable in our community. At the base of it, these cuts are fundamentally unfair. In terms
of the impact on families, these measures comes on top of other harsh cuts such as the
government's $80 billion cuts to health and education.

These cuts are particularly detrimental for those people living in regional and rural areas. If
we look firstly at health costs and the cuts to the health budget, we know that when it comes
to health the costs are much higher in the country areas. So those cuts of over $50 billion to
health are very damaging in terms of accessing services for those in regional and rural areas.
We tend to feel that so much more than people in the cities.

As for the education cuts, the $30 billion in cuts means that children just cannot get the
education they deserve—or the opportunities that they deserve as well. That is why our plan
that has been announced, 'Your Child. Our Future', is so important for the future educational
needs of our nation's children. We need to make sure that they are able to access their full
educational opportunities. We are fully funding the Gonski reforms on time and in full,
investing more than $37 billion in this particular plan, because we understand how important
it is to invest properly in the educational opportunities for our children into the future.
We also have many concerns that we have mentioned many times in this place about this government's plans for $100,000 degrees. Again, it makes it so much harder for students from regional areas. It is already hard for them to access university, and this makes it so much harder.

So much of what we see from this government is blatantly unfair. We have heard the Prime Minister say not too long ago that his approach to family payment changes would be all about fairness. In this legislation single-parent families will be around $5,000 a year worse off. It is another case of saying one thing and doing another. We seem to be seeing a lot of that lately.

How can you then trust a Prime Minister when he talks about fairness yet wants to take $5,000 away from the budgets of those low- and middle-income families? It is for those reasons that those of us on this side of the House will be opposing these cuts and opposing this bill. We oppose it because we believe in fairness. That is what we believe in. That is what we are fighting for. We believe in putting people and families first. We believe it is important to do that.

As I said, this is a Prime Minister who always says one thing and does another. The potential increase in the GST to 15 per cent is a great example that we have seen, particularly over the last few weeks. He may have pretended to say in the last week that he was not convinced about it, but how could you trust him? Every day he changes what he says. We know that those on the other side of the House want to see an increase in the GST to 15 per cent, but how could you trust this Prime Minister and the government to keep their word about anything after their record in the past 2½ years? They are all over the place most of the time. Families in my electorate of Richmond, on the New South Wales North Coast, are very concerned about the government's plans for the GST and how it will impact and hurt them, particularly many people on fixed incomes. Over 20,000 pensioners are very concerned about the potential increase in GST to 15 per cent—a GST on everything really does worry them so much. Indeed, so many families are concerned about an increase in their costs of living.

We have seen from the government over the last few days complete and utter chaos when it comes to their plans for a 15 per cent GST. They have so much internal division and such a chaotic approach to all forms of tax reform; they are just all over the shop. Yet, yesterday, the Prime Minister said in question time he would not rule it out, so we know it is back on the table again. We have also heard the finance minister and the Assistant Treasurer refusing to rule out a 15 per cent GST. The reason they are not ruling it out is that it is on the table; it is what they want to do and intend to do. No matter what sorts of weasel words they use here and there and their chopping and changing, they will not rule it out, so we know it is on the table, just like so many other of their harsh measures.

When it comes to these harsh measures—the attack on family payments or the cuts to health and education or the 15 per cent GST—in my regional area, on the far North Coast of New South Wales, people blame the National Party. As I have said before, National Party choices really do hurt regional and rural Australia, and a 15 per cent GST will definitely hurt the people in my region, just as the $80 billion in cuts and the cuts to family payments will hurt. Let us remember that the National Party represent some of the lowest income electorates in this country, and yet National Party members are prepared to take thousands of dollars out of the pockets of those people on those lowest incomes. The fact is that this is going to come
out of the pockets of some of the poorest families across the nation. That is where it will come from if the National Party get their way.

The measures contained within this bill will hurt families, and that is why Labor will be opposing it. Labor has always stood up for families and will continue to stand up for them against the current government. Since their first budget, in 2014, we have been fighting the Liberals and Nationals' unfair cuts to families. They just seem to keep on going. In the 2015 budget, the government again went after families with a range of very savage cuts. Again we fought those changes because they were fundamentally unfair. They would have seen low- and middle-income families lose thousands of dollars each year. We have been very proud to work very closely with so many sections of the community to fight against the government and force them to back down on many of the measures in last year's budget. We were very proud to stand with the community and force the government to back down. Another example is that, because of Labor's pressure, the Turnbull government had to finally scrap some of the appalling cuts to grandparent carers that were contained in the budget. Because of this pressure, Australian families are being protected from some of these harsh and unfair cuts. I think measures like this and the plans that the government had for cuts to grandparent carers really show how out of touch the government are with the concerns of ordinary Australian families, but I am pleased to say that Labor have been able to get some concessions from the government. We were able to get exemptions for around 4,000 grandparent carers from the cuts to family tax benefit B, which would have applied when the youngest child turns 13. But we should not forget for a minute the rather appalling way in which the government were prepared to treat grandparent carers. Of course, the members over there voted for this. They supported it and, indeed, the Minister for Social Services stood up in this place during question time and told grandparent carers that what they needed to do was go out and get a job—that is what he told them. It was very offensive and out of touch. That certainly seemed to be the government's approach, and, indeed, it still continues.

The Prime Minister's cuts continue to fail the fairness test. Since that first budget, we have been calling on the government to go back to the drawing board when it comes to family payments and come back with some fairer savings that will not impact and hurt so harshly those low- and middle-income families that the government seem to be after all the time. This latest version of cuts to family payments, quite frankly, still is not good enough. They again fail the fairness test. The Prime Minister's new cuts to families will leave some families worse off than the previous Prime Minister's cuts would have done. This is despite the many promises we received before the last election. We all recall those Liberal and National party candidates running around saying there would be no cuts to education, no cuts to health, no cuts to family payments and no increase in the GST—all those sorts of things—yet all we have seen since then is a massive array of cuts. No wonder people feel very betrayed by the government when they look at the extent of their cuts.

Let us have a closer look at some of the changes in this bill. One point five million families are going to lose their FTB A supplements, a cut of more than $700 per child every year. Around 600,000 of these families are single parent families. Around 500,000 of these families are on the maximum rate, meaning they are on a combined family income of less than $51,000. Three hundred thousand of these families will not get the increased FTB A per-child amount, which does not start until 2018, two years after the supplements start to be reduced.
One point three million families will lose their FTB B supplements, a cut of more than $350 per family every year. Single parent families will be hit even harder, having their family tax benefit B reduced to $1,000 per year when their youngest child turns 13 and then cut entirely when their youngest child turns 16. This impacts around 136,000 single parents with children aged 13 to 16 with a cut of around $1,700. Single parents with children aged over 16 will have their FTB cut entirely in 2016, a cut of more than $3,100. So the measures in this bill are quite harsh.

When it comes to fairness, this Prime Minister is, in some ways, probably even crueler than the last. When we look at it overall, this is a Prime Minister who is refusing to make multinational companies pay their fair share in tax. He refuses to curb very generous tax concessions for wealthy superannuants. These are very reasonable policies that we put forward, but, no, instead over there the Prime Minister and his government would rather be taking money from the pockets of ordinary families and then hitting them with a 15 per cent GST on everything. That seems to be their plan.

Many organisations have spoken out about this bill and its impact upon the most vulnerable in our community. Jo Briskey, Executive Director of The Parenthood, said in October last year:

... the new package still leaves thousands of families losing a significant amount of support that they currently depend on.

She went on to say:

We remain fundamentally opposed to the notion that you have to take from one family in order to give to another …

It is simply unfair of the Turnbull government to expect families who depend on FTB payments to be the ones to front the cash to fund the changes so desperately needed in childcare.

... ...

Families cannot afford to lose out here and nor should they.

In responding to this bill, ACOSS has urged against looking for budget savings in family payments for single parents and low-income households. The ACOSS CEO said:

Single parents and their children have already been hit hard with cuts over the last few years which have reduced their safety net significantly.

On the latest analysis, there are over 600,000 children living below the poverty line and children in single parent households are in poverty at over twice the rate of children living with two parents.

The proposed changes will also hurt low income couple households, including those without paid work. The $5 per week increase to Part A will not offset the losses for these families.

We are also disappointed that the proposed package does nothing to address the gradual erosion of family payments as a result of indexation to prices.

So a range of different groups are really concerned about this government's harsh changes and the impact they will have particularly on single parents. Many workforce experts—such as the National Foundation for Australian Women, Equality Rights Alliance, economic Security4Women and the Work and Family Policy Roundtable—have stated that whilst this latest bill is less appalling than the government's original proposals, the revised reforms are unlikely to have a significant effect on workforce participation, particularly in those states and territories with high unemployment. This is especially true in regional and rural areas where...
we do have very high levels of unemployment. It is only going to make it harder for so many of those people, and single-parent families will be in a much more difficult position.

Labor have demonstrated that we are not opposed to changes that are fair and reasonable, and we would be happy to work with the government if they did have fair and reasonable changes, but we are not going to support unfair and cruel measures such as the ones outlined in this bill. That is the reason that we will be opposing this bill. As we have said, it is not just the attack on families; it is the cumulative attacks that we have seen from this government right from their very first budget. We have seen it with their cuts to health and education. Speaking as a member from a regional area, the government's cuts and plans are so much more severe for areas like mine.

One area that we have not touched on yet is this government's plans for cutting penalty rates, which will severely impact on families in regional areas. So we have got the cuts to health, education and family payments coupled with their plans for a 15 per cent GST and their plans to cut penalty rates. Those things impact families across the nation but they impact families in regional and rural areas a lot more harshly. They are the ones who will be feeling it the most, and it is the opportunities for future generations that are taken away. This government seems absolutely committed to making it harder and harder for people, and I can tell you that people in regional and rural Australia are struggling. It is the National Party choices that hurt the most, and in the country we blame the National Party for its harsh attacks upon families.

Mr IRONS (Swan) (17:56): I rise to support the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015. I just listened to the member for Richmond speak to the bill, and I would remind her before she leaves the chamber that we are spending $12 billion a year on interest from the Labor debt, which could be well used to support the families of Australia. That is the legacy they left us. It is interesting to note that most of her speech was focused on the proposal around the GST, which is not what this bill is about.

This bill introduces a package of new reforms that will secure the future of family support payments for those who need it the most while also encouraging parents' participation in the workforce. As the minister said:

The new package will supersede measures stalled in the Senate, including:
- maintaining FTB payment thresholds, where savings were estimated at $525 million;
- maintaining FTB payment rates, where savings were estimated at $1 billion;
- limiting FTB Part B to families with children under six, where savings were estimated at $1.8 billion; and
- revising the FTB end of year supplements to their original value of $600 and $300 per year, where savings were estimated at $1.3 billion.

The minister went on to say:

The two bills anticipate withdrawal of the measures relating to FTB from the 2014-15 budget and instead propose changes which focus squarely on the principles of structural reform of the social welfare system by simplifying the payment structure of family tax benefits. At the same time, the bills provide more assistance to families when they need it most and is, therefore, fiscally responsible.
Through structural reform of the social welfare system, this bill simplifies the payment structure of the family tax benefit system and generates some savings in the process. At the moment, our social services system is a bit like maze with overlapping schemes and measures. It is a complex and convoluted system which has grown out of control.

It is worth remembering that family benefits are a substantial area of federal government expenditure. Currently the government spends around $28 billion each year on family support. I just had a call from Robert in my electorate, who is an independent retiree, and he talked to me about his thoughts about where his taxes go. He received a notice from the government that advised him that 37 per cent of his taxes end up in social welfare payments, which he was not that impressed about. Then I spoke to him about the actual figures, and I said that currently the government spends around $28 billion each year on family support, including $20 billion on family tax benefit, $6 billion on childcare benefit and the childcare rebate, and $2 billion on paid parental leave. For the purposes of comparison, the projected budget deficit for 2015-16 announced in the Mid-Year Economic and Fiscal Outlook is $37.4 billion. So we can see that the family payments do constitute a significant chunk of our budget. We know that Australia has been in a budget deficit position since Labor came to power in 2008-09, some eight years ago, and the Australian government's spending is simply not sustainable at current levels.

The government wants to continue providing support to families, and it is important that it does, but reforms are needed to make this an affordable area of government spending into the future. This involves some better targeting of available funds at those that need it most.

There is a budget repair job being undertaken by the Treasurer and there are some savings provided for in this legislation. Some of these savings will go to budget repair and some will go to the Jobs for Families Child Care Package.

There are three measures in this bill, which phase out the family tax benefit part A and part B supplements, increase family tax benefit part A fortnightly rates by around $10 for each FTB child in the family aged up to 19, and amend the rules and introduce a new rate structure for FTB part B. The supplements will be reduced in 2016-17 and 2017-18 before being abolished altogether in 2018-19.

These FTB part A and B supplements were introduced at a time when, under the Howard government, the surplus anticipated in the 2004-05 budget paper was $13.6 billion. I notice the member for McEwen over there; he does not know what a surplus is. I think it was in 1989 that that side of the House last delivered a surplus. How many years is that? It is nearly 20 years. If you just go back over the Howard years you will see all the budget surpluses you could want to see. I remind the member for McEwen of that. I am sure he will bring that up during his retort as well.

It is worth noting that a substantial use of the supplements was to offset potential overpayments arising from underestimates by recipients of their FTB relevant annual income. In the near future, the Australian Taxation Office is introducing a single-touch payroll system. By 2019-20 most employers will be participating, and the need for the end-of-year FTB reconciliation will be reduced. Single-touch payroll will be introduced and rolled out from 2017-18 and 2018-19, resulting in the reporting of a family's real-time income, which will minimise the risk of underreporting of income and the subsequent debts that go with that.
I know other MPs have spoken about this previously so I will keep this brief, but in the report by Patrick McClure entitled *A new system for better employment and social outcomes* it is made clear that there are far too many payments and allied supplements. There are some 20 main payment types and 53 existing supplements, and that second figure of 53 existing supplements has been reduced from 55 because the government has already removed the senior supplement and the low-income supplement. This package will reduce the number of supplements in the system, as indeed will the associated reform measures in child care. We must continue to simplify our social welfare system more broadly and the FTB more specifically, consistent with the recommendations of the McClure review, which highlights the unworkability of a system that maintains 20 main payment types within an excess of 50 categorised supplements.

With these savings we can secure the future of family payments for the people who need it most, as I said. I would like to reiterate that: it is for the people who need it most. And there are families out there that do need the support, including in my electorate of Swan.

Bentley, in my electorate of Swan, sits within the first decile in Western Australia on the ABS's index of socioeconomic disadvantage in its Socio-Economic Indexes for Areas. Its neighbouring suburb of Karawara sits within the second decile, and several other suburbs in my electorate sit on the third and fourth deciles.

The City of Belmont holds the second-lowest SES ranking of any local government area in Perth. I know that the local government of Belmont, in the work they do for their local community, are striving hard to lift that second-lowest SES ranking. We are seeing changes in the City of Belmont that are worth noting, and I support and applaud the City of Belmont for the efforts they are making to get out of that second-lowest ranking.

These are the families in my electorate that are struggling and need assistance for the long term, and the second two measures in this bill which provide targeted support are aimed at these families. If this legislation is passed, the family tax benefit part A fortnightly rates will rise by about $10 for each FTB child in the family aged up to 19. This means that around 1.2 million lower-income families will receive higher payments from July 2018.

The government will also increase the fortnightly rates of youth allowance and disability support pension to align with the new FTB part A fortnightly rates. A new rate structure and rules will be introduced for family tax benefit part B. The maximum standard rate will increase by $1,000.10 per year for families with the youngest child aged under one year, helping around 142,000 families. The overall effect of these two measures is to continue providing day-to-day financial assistance to low-income families and also to build in some choice.

Having a support network makes a big difference to parents, and our government is committed to being part of that support network by ensuring the family and childcare systems remain sustainable and effective in the long term, to provide for future generations. The government also recognises that grandparent carers take on a large responsibility when caring for children. Grandparent carers are usually less likely to be working and more likely to be retired. From the contact I have had with the grandparent carers in my electorate I would say that the majority of them came from lower SES areas as well, and they really struggle. So the government has recognised that and recognised the work they do for their grandchildren.
through the circumstances that are thrust upon them. I applaud their efforts, and this
government seeks to support them and help them as well.

The tax benefit part B will be available for single-parent families and grandparents with a
youngest child aged 13 to 16. This will help grandparent carers meet the costs of raising their
grandchildren.

At the same time, the government recognises that sometimes it is difficult for single parents
to transition to work, even when their youngest children are in upper school, and this is why
we are applying different payment assistance for these categories once the child turns 13,
providing them with some additional appropriate assistance while they prepare to re-enter the
workforce.

Part of the savings of this package will be used to help pay for the government's $3 billion
Jobs for Families Child Care Package.

The key elements of the Jobs for Families Child Care Package include the childcare
subsidy commencing in July 2017. The new childcare subsidy will replace the current
childcare benefit and childcare rebate with a single, means-tested payment. It includes the
childcare safety net, with some elements commencing in July 2016. The childcare safety net
will provide targeted assistance for disadvantaged communities and vulnerable and at-risk
children and their families to ensure they get a strong start while supporting parents to enter
the workforce. The package represents the government's response to recommendations from
the Productivity Commission inquiry into child care and early childhood learning which took
into account a wide range of input from families, service providers, early childhood education
professionals and businesses.

It is not news to anyone that childcare reforms are needed. Hourly caps on the provider will
be introduced which will ease some of the inflationary drivers that exist in the present system.
A more affordable, flexible and accessible childcare system is needed today as we see many
families making the decision for both parents to work. The government understands the
importance of providing a quality childcare system. My electorate of Swan is home to many
young families, and those here with young children will understand the struggle it can be to
put children into childcare. Sometimes the cost is more than the parent would make re-
entering the workforce and decide it is not worth it.

As a result of this package, families using childcare services with incomes of between
$65,000 and $170,000 will be, on average, $30 a week better off. The Jobs for Families Child
Care package has several components including a two-year national nanny pilot program to
support around 10,000 children in families finding it difficult to access standard childcare
services. These reforms will give these young families more choice: a choice to utilise
childcare and return to work. It will encourage workforce participation and national
productivity. It is only though a strong childcare system that we can maximise workforce
participation and strengthen families and the economy. In summary, these are sensible
changes aimed at ensuring the sustainability of family payments and ensure that the system
provides support to families who need it most now and into the future.

The package enhances support for families with their day-to-day living expenses and helps
them support their children—the future of Australia from birth through to education to the
transition to independence. While it is comprehensive, our system is also one of the most
generous, but it needs sustainable changes so it can help those families who need it most. This package will make our system fairer and simpler, more efficient, more effective and more sustainable. We will be removing waste and will be using the dollars more wisely. This government is making progress towards a sustainable social welfare system. This bill ensures that we are making the system more efficient, more effective and, most importantly, more sustainable. It is my view that the intent of social payments is to provide assistance to those who need it most. This package will do that. As we know, welfare payments have always been part of a safety net. Through this bill we are making progress towards a sustainable welfare system. This bill ensures taxpayers that their taxpayer funds are being used to better the lives we live and make our country a more sustainable place.

As I wrap this up, I want to make clear that this government is extremely committed over the long term to continuing to assist families to raise their children. This reform and the package is not just a quick-fix for the now. This will assist families in the long term. This will help shape our future. So I say to those on the other side: support the package, support the government's support of the families of Australia and make sure that we pass the bill this time. I commend the bill to the House.

Mr MITCHELL (McEwen—Second Deputy Speaker) (18:11): I rise today to speak against the Social Services Legislation Amendment (Family Payment Structural Reform and Participation Measures) Bill (No. 2) 2015. I say from the outset that the reason we oppose this bill is its inherent unfairness, plus the fact that every member of the opposition knows, and what the families in my electorate of McEwen that I represent have learned in a very short space of time, is that you cannot trust a word that the Turnbull government says. It offers something with one hand, but then takes it away with the other. It promises to do one thing and then does the complete opposite. How can the families in my electorate believe that the proposed changes to family tax benefit parts A and B, as outlined in this bill, will not hurt vulnerable families?

The Minister for Social Services tries to put a bit of gloss on it. He has tried to convince the Australian people that he is willing to compromise on measures in the bill, keeping in mind that 'we still have to save enough money to pay for changes to child care'. These are the long overdue childcare measures which we have not yet seen in parliament and we are expected to just take their word and support it. It is not going to happen. We do not know what the childcare measures are actually going to mean. We do not know who will benefit. We do not know how much the Turnbull government's proposed childcare measures will cost. In fact, we know nothing about them. Cuts to family payments appear to be a convenient way for the Turnbull government to pay for its so-called new policy announcements.

How can anyone reasonably consider whether the benefits of picking on the low-hanging fruit, such as cuts to family payments, would yield the greatest benefit to the Australian community when the key policy announcement about what they say it is for is not even on the table? Let's not forget that cuts to family payments are the low-hanging fruit for the Turnbull government, because it refuses to consider tax reform to ensure big multinational businesses pay their fair share. Instead, you have the Turnbull government asking the opposition and Australian families to trust them and just agree with the changes outlined in the bill. No, thanks. The Turnbull government is playing a dishonest game. It is using sleight of hand to
tell Australian families that they will be better off under the proposed changes. On one hand, the changes would supposedly see families have a small increase to the fortnightly rate of FTB A. Meanwhile, the changes would see the FTB A and FTB B supplements being cut. The loss of these supplements means that the rates of both family tax benefit A and B are reduced overall, leaving families worse off.

I have listened to families in my electorate who have told me what the possibility of losing thousands of dollars in family tax benefit means to them. It means less money to save and prepare for school. There is no money for school shoes or uniforms—and we all know how fast kids grow—or for school camps and excursions. In the first version of this bill, it was obvious that the Turnbull government thought that ripping money away from vulnerable families would be a walk in the park. The Prime Minister was mistaken. Labor opposed the first version of the bill and we are doing it again. We argued that the changes were fundamentally unfair. We forced the government to back down on two of its measures: their plan to freeze family tax benefit rates and to freeze eligibility thresholds. We successfully argued to get payments to grandparent carers back on the table. They would have been cut in the previous bill by the Abbott-Turnbull government. Why would you go and attack grandparent carers?

We will still fight on. This version of this bill is not good enough. Even the Parliamentary Joint Committee on Human Rights is of the same opinion. With scrutiny of this bill from Liberal, National, Labor, Greens and Independent MPs and senators, it said that this bill fails the fairness test. In its report from November 2015, the Parliamentary Joint Committee on Human Rights found the proposed measures in the bill were not able to be justified. The report from the Parliamentary Joint Committee on Human Rights released on 2 February this year showed that nothing has changed between the previous version and this version of the bill. This means that the committee's questions on the veracity of the bill were not answered by the minister.

Can the Turnbull government actually grasp the meaning of the word 'fairness'? Let's see how we go. The new cuts to families in this bill will leave some families worse off than the cuts in the previous version of the bill that the Abbott government proposed would have done. That is unfair. Asking 1.5 million ordinary Australian families to accept the loss of more than $700 per child every year by losing their family tax benefit part A supplement is unfair. About 600,000 of these families are single-parent families, and 500,000 of those are on the current maximum rate of family tax benefit part A. This means their annual income is less than $51,000.

In the electorate of McEwen, these cuts to the FTB part A would impact on more than 17,000 families. 1.3 million Australian families will lose their FTB supplements, a cut of more than $350 per family every year. The 600,000 single-parent families I mentioned before are in for a very rough ride. Not only will these families have their FTB reduced when their child turns 13; it will then be cut entirely when their child turns 16. In my electorate, almost 15,000 families will be directly affected by this attack.

I say to my colleagues on the other side: if you have not caught on yet, none of the proposed measures in this bill represent fairness. How bad is Turnbull doing that he makes Abbott appear more humane and fair? The Minister for Social Services cited one of the recommendations of the McClure report in his press conference. He focused on the report's
recommendation to simplify the system, by reducing the number of payments and supplements. Rationalising the system in this way would be a good start to structural reform if—and this is key—appropriate checks and balances, including fairness, were transparently applied. But we simply cannot trust the Turnbull government to be transparent or to ensure that the interests of ordinary Australian families are looked after.

For example, what about the other recommendations of the McClure report? Why were they so selectively ignored? One of the recommendations was that family assistance should increase with the age of children. This recommendation was based on research into the cost of raising children and identified key points in the life cycle—starting primary school, starting secondary school and the final two years of secondary school. I am sure if you talked to any parent they would agree with the research outcomes. A comment made in the McClure report was really interesting, and I cannot wait to hear the views of one of my Liberal colleagues on the other side on why the recommendation was disregarded. It said:

Payments for low income families with children and young people should support children to finish their education and transition to the workforce.

Well, the measures in this bill definitely do not do this. Family assistance payments will be cut by the time a child reaches the age of 16 when they still have two to three years of critical schooling left.

I wonder what Australian families will take away from this. Will it be that the Turnbull government believes that only kids from middle− to high-income families should finish school? They have seen the Liberals support $100,000 degrees, so maybe they will not be surprised. When it comes to fairness, the Turnbull government is no better—in fact, it is worse—than the Abbott government, and that is a pretty tall order. It is a different leader with the same policies. They promise not to do something to get elected and then implement it anyway. I am sure this is in the back of Australians' minds when it comes to the GST.

There is a clear distinction between Bill Shorten's Labor and Malcolm Turnbull's coalition. Labor fights for the majority—the millions of Australian families, workers and business owners trying to get ahead with a handful of dollars—whereas the Turnbull government stands by the handful of people with millions of dollars. After all, the Turnbull government refuses to make multinationals pay their fair share of tax and gives superannuation tax concessions to the people who are for the people in the top one per cent income bracket. Instead, the Turnbull government would rather take money from the pockets of all Australians, hit them with a 15 per cent GST for good measure and then tell them that they are better off because of changes to their personal income tax rates.

We still have not seen the Turnbull government's tax reform package, so this assurance is not going to pay the bills in the meantime, is it? This bill should be pulled. If we really want to see fair structural reform in the area of family payments, we should start again. Labor is not opposed to structural reform of family payments, as long as it is fair and reasonable. The Turnbull government's bill views Australian families as the bottom line of a spreadsheet. The Parliamentary Joint Committee on Human Rights did not endorse the previous version of the bill. It sought justification from the minister for the proposed changes. Its questions still remain unanswered in this bill. The losers in this bill are the single parents and families with children in their last two years of schooling. That is why they are relying on Labor. They know Labor can be trusted to stand up for Australian families.
We have also heard members opposite in this wide-ranging debate—I do not know how joint strike fighters got involved, but somehow they did—saying, 'We've got to repair the budget mess.' December's interest debt this financial year was $1.352 billion—$43 million per day. Gross debt since this government removed the debt ceiling limit has gone over $400 billion. That is up 47.2 per cent from when they first got elected. Net debt is now $274 billion. That is now up 57 per cent since those opposite got elected. They like to come in here like peacocks—the Prime Minister fluffs up, puts his tail out and talks about economic credibility—but the numbers do not lie. This government has increased debt, it has increased deficit, and we have been every day watching this government attack Australian families and Australian people at the same time it protects those at the top end of the scale. That is why it took things like the low income superannuation contribution—a measly $500 for people earning less than $37,000 a year—off people. The Australian people know that this is not right. They know that the Prime Minister is not right. They know that the government is not right. They also know that Labor is there to stand with them against these unfair cuts.

Mrs WICKS (Robertson) (18:22): I rise to speak on the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015. I am pleased to be supporting the Turnbull government's legislation today, which is part of the family payments reform package and backs up our Jobs for Families initiative, which has been so well received in my electorate on the Central Coast. It is a strong demonstration of the government's commitment to families, providing additional help to families where they need it the most—with day-to-day expenses.

Many of the measures in this revised package of bills bring forward items related to the family tax benefit, which is the family assistance payment that helps with the many and varied costs associated with raising dependent children. Specifically, this bill will see fortnightly rates for family tax benefit part A, which is paid to the parent or guardian, increase by about $10 for each child in the family aged up to 19. I am advised that this amount adds up to an extra $6,000 over the lifetime of a child in eligible families. Around 1.2 million families, including those on income support, will receive these fortnightly increases, which will assist them with the day-to-day living expenses all families incur. There will also be around $10 more per fortnight for youth allowance recipients under the age of 18 who are living at home. This is part of the fairness of these measures, and helps to simplify the processes, for families to be able to understand more easily.

The bill will also amend the rules and introduce a new rate structure for family tax benefit part B, which is paid to sole parents or couples who have one main income, and where one parent stays at home or balances paid work with caring for children. Under this legislation, family tax benefit part B payment structures will also be reformed to provide more support to families when their children are born, and encourage more workforce participation when their youngest child is older, thereby enhancing their ability to work. From 1 July, the standard rate of the family tax benefit part B will be increased by $1,000 per year for families with a youngest child aged under one, which is forecast to help around 142,000 families, including families in my electorate. I am advised that the current standard rates will be maintained for families with a youngest child aged between one and 13. Standard rates will also be maintained for single parents who are at least 60 years of age, and grandparent and great-grandparent carers with a youngest child aged between 13 and 18. A reduced standard rate of
$1,000 will apply to single parent families, in situations where the parent is under 60 and the youngest child is aged between 13 and 16.

One of the great strengths of this country's social services program is how it provides such a diverse range of programs and payments to support parents, the primary caregivers to children and their families. But, unlike those on the other side of this chamber, we need to acknowledge that we have to secure the long-term sustainability of this family payments system. The government spends a significant amount of money in three main areas of family support each year. Figures I have received from the department suggest that the investment is around $20 billion spent in family tax benefit, around $6 billion in child care benefit and child care rebate, and around $2 billion in paid parental leave. So, even from this snapshot, it is obvious that the government's commitment to supporting parents in caring for their children must be balanced with the responsibility to make sure that family assistance and social security payments are well targeted and sustainable into the future.

One way this legislation acts on this need is to phase out family tax benefit end of year supplements, which are gradually being reduced over the next two financial years before being abolished in 2018-19. The supplements were introduced to mitigate the risk of debt after reconciliation, but the introduction of single touch payroll means that by the time this supplement is abolished most employers will be participating and the need for this payment will be reduced. This measure will save more than $4 billion over the forward estimates, and it is clearly a sensible reform. The supplements were introduced under the Howard government when there was an anticipated surplus of $13.6 billion in 2004-05.

We have heard in this debate many complaints from Labor about these changes, but Labor had a chance to do something about this during its chaotic six years in government—including six long years on the Central Coast, where its local Labor representatives failed to deliver for our region and its future. The reality is our social services bill represents about a third of the Commonwealth budget and it is growing faster than any other area of government. The minister has advised that this year we will spend around $20 billion on family tax benefit parts A and B, which represents the second biggest item of expenditure in the social services portfolio and the fourth largest in the entire budget. Without further restraint, our welfare bill is expected to grow from $149 billion in 2014-15 to $277 billion in 2025-26. As the House can see, in this legislation this government has a plan that is fiscally responsible and is targeted at families who need it the most. The changes are also consistent with the critical reform recommendations of the McClure review, which urged the government to make it easier to navigate the system to get the right assistance; for example, a system that has 20 main payment types with in excess of 50 supplement categories is just about unworkable.

But Labor has no such plan and never had. In fact, I have been advised that Labor's record in this policy area is a far cry from what it has claimed during this debate. In 2008, Labor means tested family tax benefits part B and introduced a means test on the baby bonus. In 2009, Labor froze indexation for the full payment of family tax benefits part A and B, the baby bonus and the dependant spouse rebate, and announced an income test for the Commonwealth seniors health card. In 2010 Labor capped the childcare rebate and paused the indexation of the childcare rebate for four years. In 2011 Labor froze indexation for family tax benefits A and B supplement payments. In 2012 Labor cut the baby bonus. Then, of course, Labor introduced the carbon tax, which did nothing but drive up the cost of electricity.
bills for residents and businesses in my electorate. I would also emphasise the point that, while Labor are busily opposing our legislation, they are not proposing how they are going to fund the ever-increasing social services budget. What is more, Labor refuse to acknowledge that the size of their budget black hole is $48.4 billion. And not only that; they continue to block the government's budget repair measures, which will only drive the deficit higher. In contrast, this bill is a great example of how we are responsibly getting the budget back into shape.

This package is designed to support the government's $3.5 billion Jobs for Families childcare package, which will provide greater choice for more than 1.2 million families by delivering a simpler, more affordable, more flexible and more accessible childcare system. This is critical for my electorate. The Central Coast is a region where this need is particularly pressing because of the large number of commuters—around 30,000 to 40,000—which impacts around one in three families in my electorate of Robertson. Many parents have to leave early in the morning for work and return home late at night to their families because their job opportunities in Sydney or Newcastle take them elsewhere. In the case of my husband, this is a 4½ hour round trip every single day—representing the experience of tens of thousands of ‘coasties’ every day. As a mother of two young children growing up on the Central Coast, this need for flexibility is therefore essential, and it resonates very strongly with other mums and dads that I talk and meet at the school gate or, last year, when I met them at my local preschool day care centre. They often contact me, asking what the government is doing for families. This Turnbull government wants to encourage these families with more opportunity, because workforce participation is fundamental for creating prosperity into the future. In fact, the minister cited a figure in his earlier speech that 165,000 Australians described childcare to be of critical importance for them to be able to return to work, increase their work hours and grow their household wealth.

So, part of our Jobs for Families childcare package is to establish a new and simpler childcare subsidy from 1 July 2017. Families using child care in 2017, with family incomes of between $65,000 and $170,000, will be around $30 a week better off. Those on higher incomes will, on average, continue to receive the same level of support. We want our local families to be able to choose to work. We do not want that choice denied because of complex, inflexible and unaffordable childcare arrangements. Contrast this with Labor, who, when in government, allowed childcare costs to balloon by around 50 per cent.

In summary, without any change, the cost of our social security system will continue to rise while the number of working-age taxpayers will continue to decline. That, coupled with the debt and deficits which were left by the previous government, means we have to take the necessary steps to address this issue. I commend the bill to the House.

Mr ZAPPIA (Makin) (18:33): Last week the Prime Minister came into the House and said that he had been Prime Minister for 141 days and, to quote his words, ‘nothing seems to have changed’. I can tell the Prime Minister that he has now been the Prime Minister for 147 days and, again, nothing seems to have changed. If you look at the policies that have been brought before this parliament in the form of legislation it is very clear that, while we might have a new Prime Minister and while the deck chairs might have been moved around, the fundamentally unfair, harsh policies that were introduced immediately the Abbott government was elected in 2013 are still on the table—sometimes rebadged, sometimes just with minor
changes having been made to them. However, the same harsh policies are still before us in this parliament, and that is why we on this side of the House will continue to oppose those harsh policies, such as the ones related to the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015, which we are currently debating.

I have listened to the contributions to this debate by members opposite and almost universally they have come into the chamber and simply tried to justify why these cuts are necessary. Very few of them have given any good reasons as to why this is good policy. They simply try to justify it, knowing full well that they are perhaps arguing an unarguable case. In fact, every one of them came in and talked about how it was all Labor's fault that the country was in this financial 'mess', as they put it. None of them at any point in time acknowledged that, under a Labor government, we had to work through the global financial crisis and that we did so with this country keeping its head above water, with a strong economy. Indeed, we have had 25 years of consecutive growth, and those 25 years included the period in time when we went through the global financial crisis; but, again, members opposite seem to conveniently forget all about that when they talk about the country's deficit.

I acknowledge that there is a deficit. We had a plan in place at the time we lost office to try and manage that deficit and slowly reduce it—and we would have done that. But, since coming into government, members opposite, the coalition government, have actually increased the deficit. We know that this year it will hit almost $38 billion—twice what they originally anticipated it would do. The truth is that much of the deficit blow-out has occurred under their watch because of their policies. The coalition government came into office and were not even able to contain the deficit they inherited. They have actually doubled it since coming into office. Rather than continuously trying to blame the previous Labor government for the financial state of the country, coalition members should perhaps have a much closer look at their own policies and how much they have contributed to the budget deficit, which they are now in charge of and which is their responsibility. Similarly, they cannot continuously say, 'Look, it is not our fault; it is the commodity prices that have crashed and therefore the income would otherwise have been coming to government is no longer there.' It is as much their foolish policies that have caused a drop in taxation revenue and in turn put the government in the mess they are in.

I want to touch on another point which members opposite have again consistently made when they come into the chamber to argue the merits of this legislation. They continuously say that Labor has not supported any of the cuts that are required in order to get the budget back into the black. That is simply not true. Labor has already supported nearly $9 billion of cuts to family payments and child care payments which have been proposed by the Turnbull government and which have, as I understand it, got through the parliament. So where the cuts are at least reasonable, we have been able to support them, but clearly where the cuts are very harsh and unfair we will not.

Having argued that we have a major budget crisis and therefore we have to look for cuts in the budget, none of the members opposite has come in and responded to this very simple question: if there is a budget deficit to be managed, then why not look at other areas where the government could perhaps raise additional taxes or, for that matter, perhaps even make cuts that would not hit families so hard? Why do we only look at hitting the lower income earners
of this country—families, single householders and single income earning families—when we are looking to make cuts? Those are the policies of the current Turnbull government; it was the same when Prime Minister Abbott was in control. They are the policies that we will oppose, because we believe that there are other options should the government wished to look at them. We have articulated those other options time and time again. In fact we have talked about tax avoidance across this country and across the world that could be tackled and that is currently robbing governments around the world of billions and billions of tax, including the government of Australia. We also know that there are very generous tax breaks for the very wealthy people of this nation, and again some of those wealthy tax breaks could be looked at. We have in fact put forward propositions in respect of these tax breaks for the very wealthy and their superannuation accounts.

There are other options and, if those other options had all been exhausted and there was nothing left, then you might at least think, 'Well, perhaps they have run out of ideas and options and therefore this is their last resort.' The foolishness of all this is, in my view, that if you want to balance your budget your best option is to grow the economy. If you grow the economy, then you can ultimately balance the budget without inflicting the pain on families that this government is prepared to do and is doing. And yet by cutting payments to families the government is doing the exact opposite; in this case by cutting payments to families we are talking about a total cut of $4.2 billion over the next four years. My understanding is that it runs to about $10 billion, and perhaps even more, in years to come. That is money that is being cut from the budgets of ordinary Australians; money that they will not spend; and if they do not spend it then the economy slips backwards rather than grows. My view is that cutting those payments in the long term will do the budget more damage than good.

But it goes further than just these cuts, because this government has torn down industry in this country by abandoning many of the funding programs that we had in place to support industry and by turning its back on the automotive industry—one of the biggest industry sectors in the country. We have also seen them do exactly the same thing to research funding across the country. Right now we are seeing the CSIRO and the climate scientists up in arms because their jobs are being threatened due to the cuts to CSIRO, and the CSIRO is just one of the valuable research institutions of this country that has had funding cuts. My understanding is that about $1 billion has been cut from all of those institutions together.

The truth of the matter is that the government members who come in here and talk about fixing the budget mess should perhaps look to fixing the Turnbull government's budget mess by adopting different policies to those they have adopted. This legislation hits struggling families the hardest and it is quite frankly unfair. For a Prime Minister who continuously talks about fairness, this legislation does the exact opposite. The Prime Minister—I think the Australian public is slowly waking up to this—is perhaps not the person that he portrays himself to be through the words he utters in this parliament. It is not what he says that matters any more; it is actually what he does. I made the point earlier that this particular proposition will take $4.2 billion over the next four years out of the pockets of Australian families and over the next 10 years—I will correct the figure I gave earlier—it is $16 billion. It is not $10 billion; it is $16 billion. The member of Jagajaga quite clearly outlined the effects that these cuts will have on Australian families. I am pleased to say, as other members from this side of the House have made clear, that at least we have seen the 4,000 grandparents who would have
lost about $2½ thousand in here protected because of the stands that Labor talk on this legislation.

I want to go through this proposition to show what it does. It increases the standard child rate of family tax benefit part A by $10 a fortnight for all families receiving the base rate. I understand that about 140,000 families will be better off. It also introduces a new rate of payment for family tax benefit part B for families with a child under the age of one. I understand 1.2 million families may be affected by that change.

Those are the pluses, perhaps the wins. However, it comes at a huge cost. There will be a reduction in family tax benefit part B for single-parent families with children aged between 13 and 16, and the legislation will abolish the payment for single-parent families whose youngest child is aged between 17 and 19 and in full-time secondary school. Some 136,000 single parents with children aged 13 to 16 will have their family tax benefit part B reduced to $1,000 in 2016. That is a cut of $1,700. Single parents with children aged over 16 will have their family tax benefit part B cut entirely in 2016, and that is a cut of more than $3,100. Family tax benefit parts A and B end-of-year supplements will also be phased out over the next two years. Family tax benefit part A supplement will be reduced to $602.25 from 1 July 2016 and to $302.95 from 1 July 2017 and then abolished entirely from 1 July 2018. Family tax benefit part B supplement will be reduced to $302.95 from 1 July 2016 and to $153.30 from 1 July 2017 and then be abolished entirely from 1 July 2018.

Some 1.5 million families will lose family tax benefit part A supplements of $726 per child. Around 650,000 of those families are single parents; around 500,000 of these families are on the maximum rate, meaning they have a combined family income of less than $51,000; and 300,000 of those families will not get the increase to the family tax benefit part A per-child amount, which does not start until 2018—that is, two years after the supplement starts to be reduced. And 1.3 million families will lose their family tax benefit part B supplement of $354 per family.

If those cuts were made in isolation, a skerrick of an argument might be able to be made in support of them. But the truth is that they come on top of a range of other cuts being made by this government, including the cut to the schoolkids bonus of $430 for a primary school student and $850 for a secondary school student. That comes on top of the $30 billion of cuts to schools around the country. That inevitably means school fees will go up. So again parents will have to fork out more money for their children to go to school. That comes on top of the $60 billion in cuts that we talked about in the MPI today that this government is also trying to push through the parliament. These cuts will affect the cost of GPs, pathology tests and diagnostic imaging. And the cost of private health insurance has also gone up. These are all costs that directly impact on families.

On top of that, families are either losing their job because of the cuts being made in the public service and industry around the country or losing hours of work and not getting the same amount of income at the end of the week—in other words, their take-home pay is going down. Their take-home pay is going down and the cost of keeping their family is going up. That is making life incredibly hard for them. That is why this legislation is unfair and unjust. Frankly, members opposite should be ashamed of coming into the chamber and supporting legislation which hits families so hard.

Debate adjourned.
Water Amendment (Review Implementation and Other Measures) Bill 2015

Second Reading

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

Mr BUTLER (Port Adelaide) (18:49): I am pleased to rise to speak on behalf of the opposition on the Water Amendment (Review Implementation and Other Measures) Bill 2015 from last year. As I think all of us in this place know, disagreement over the management of our most important river system and our most important food bowl predates Federation. The first conference on the Murray was held in 1863, many decades before Federation. The Federation Drought brought the new states together in Corowa in 1902, which eventually led to the River Murray Waters Agreement in 1915 and the formation of the River Murray Commission in 1917.

The imports of the basin to agriculture in South Australia, Victoria and New South Wales, particularly following those reforms, led to the construction of a number of dams, weirs and locks throughout the system. By the late 1960s, drought, the over-extraction of water for irrigation and rising salinity began to put the health of the Murray-Darling system on the radar. Fast forward to the drought of the early 2000s, the Millennium Drought, and it was clear that more needed to be done. Under the Howard government, the National Water Initiative was agreed by the parties and the Water Act was passed through this parliament in 2007. And now, thanks in significant part to the former minister for water the member for Watson, we have a plan that is restoring our rivers to health, supporting strong regional communities and ensuring sustainable food and fibre production through the basin.

The Murray-Darling Basin Plan had bipartisan support at the federal level in this parliament as well as the support of all the basin states—South Australia, Victoria, New South Wales, Queensland and the ACT. Importantly, it also had the support of farming, environmental and Indigenous groups. Since the Murray-Darling Basin Plan's inception, over 1,900 gigalitres of water has been recovered for the environment. This is water that can be used at appropriate times and where it is needed to improve flows and help restore health throughout the system of the rivers. Already we have seen successful water releases overseen by the independent Commonwealth Environmental Water Holder as well as the state and regional water management agencies. Importantly, there has been very significant Commonwealth investment in ensuring that farms remain productive as the plan is delivered.

Two million dollars a day is being and will be spent on efficiency and infrastructure measures out to 2019. This is not just a significant amount of money; it is a significant commitment to the Basin Plan and to the health of our rivers and the ecosystems and regional communities that that river systems supports. Not everyone obviously got everything that they wanted from the plan but it does retain significant support throughout the system.

Handing the water portfolio to the National Party and to the agriculture portfolio has been another serious blow we think to Malcolm Turnbull's environmental credibility. This was a decision that was resisted by four successive Prime Ministers. Prime Ministers Howard, Rudd, Gillard and Abbott all saw the importance of ensuring that the implementation of the Basin Plan was overseen by officials and scientists in the environment portfolio rather than the agriculture portfolio. The best way to ensure our limited and precious water resources are
properly allocated to our food and fibre production in a sustainable way is to have water policy based on science and productivity rather than on Barnaby Joyce's leadership campaign or abandoned or sold off as part of a political horse trade. That is why Labor is committed to retaining the water portfolio with the environment portfolio in our shadow ministry.

It is important that we all understand the environmental needs of the rivers within the basin system to ensure sustainable communities and sustainable food and fibre production. There are approximately 30,000 wetlands in the basin, over 60 species of fish, 124 families of macroinvertebrates, 98 species of waterbird, four threatened water-dependent ecological communities and literally hundreds of plant species that are supported by key floodplains. The health of the river channels themselves and the flora and fauna that they support are not only vital in their own rights but vital for the economic and social wellbeing of basin communities.

The Aboriginal nations and communities in the basin also want, and should have, access to the flows that they need to ensure the continuation of their culture and their social and economic wellbeing. Aboriginal people obviously feel a deep connection to their land as well as the waters that flow through and across those lands and this needs to be recognised and provided for, not as an exercise in patronage but by ensuring that Aboriginal people are empowered through governance and water rights.

When environmental water is released into the river and over the wetlands Aboriginal expertise needs to be sought and needs to be heeded. The deep knowledge of Aboriginal people about our river systems means that they have vital advice to give our water managers that if heeded can add great value to the work of those managers. Groups such as the Northern Basin Aboriginal Nations and the Murray Lower Darling Rivers Indigenous Nations have a lot to offer us if we listen. Engagement with Aboriginal people in the basin cannot be done simply as a tick a box exercise. Proper ongoing engagement will benefit all of us.

This bill implements a number of recommendations from the review of the Water Act that was conducted through 2014, including: firstly, to allow the Commonwealth Environmental Water Holder to invest in non-water environmental activities so that the holder is not restricted just to water; secondly, to provide for greater incorporation of Indigenous expertise in the governance of the Murray-Darling Basin water resources for the reasons I just outlined; thirdly, to implement five-yearly reviews of the social and economic impacts of the Basin Plan; and, finally, to implement a number of minor administrative and technical amendments.

Concerns have been raised that these changes could create a slippery slope towards the Commonwealth Environmental Water Holder buying significantly less water. The opposition are seeking the detail of those regulations that will be in place to ensure that a significant majority of the Commonwealth Environmental Water Holder's expenditure will still be on water. We are also concerned that adjustments to the purchasing parameters of the Environmental Water Holder may have unintended and detrimental consequences on the spending patterns or commitments of other parties to the Basin Plan.

There is no definition of 'environmental activities' to assist in the assessment of non-water purchases. While the Commonwealth Environmental Water Holder is required to operate consistently with the Basin Plan and its environmental water objectives, this still may have the potential to be broadly interpreted. Labor will be monitoring the appropriate balance between flexibility in the water holder's activities and clarity regarding what activities might be contemplated under these amendments.

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There are adjustments to the timeline of key review points and milestones in the Water Act and the Basin Plan which the opposition thinks broadly make sense. There may, however, be some practical issues with reporting on environmental outcomes as long-term watering plans will not have been in place for long prior to the reporting date. Delivering interim results will be important for transparency and for public confidence. By this stage water recovery will have been undertaken for nine years and the environmental outcomes achieved should be made publicly available to the fullest extent possible. Stakeholders as well as the signatories to the Basin Plan want stability on continuity around the Basin Plan and these changes, if well managed, should not adversely impact those objectives.

The success of the Basin Plan rested, as I said in my opening remarks, on the support particularly of both major parties in this parliament as well as the agreement of all the basin states—South Australia, Victoria, New South Wales, Queensland and the ACT—as well obviously as very deep engagement, not always easy engagement, with the full range of stakeholders: irrigators, farmers, environmental groups, Indigenous communities and many more. An important driver in Labor's support for this bill and some other amendments to the Water Act that were proposed by the government last year is the agreement that the government has obtained to these measures from all of the basin states in order to maintain that political consensus—as I said, the two major parties in this parliament and the governments of all of the basin states—for the ongoing implementation of a plan that is overwhelmingly in the national interest.

Labor supports retaining a bipartisan approach to the implementation of this plan, but I want to reiterate that we do not support the water portfolio's shift to the department of agriculture—a shift that is very difficult to analyse other than it being a shift driven by base political motives on the part of the new Prime Minister trying, at that time, to cobble support for his new administration and new government.

Stakeholders from both irrigator and environmental groups have expressed concern about the Murray-Darling Basin Plan becoming politicised to the point of detriment, and they have asked that there be no major changes to the plan that would disturb the political consensus I talked about. These stakeholders have told us that what is most important for them is stability, predictability and consistency, so we do not propose to hold up this legislation that we broadly support. We will though—for the reasons I have already outlined—be seeking greater clarity around some of the points I addressed, and we will be closely monitoring the progress of these amendments.

Labor supports this bill. Labor does not support the water portfolio's shift to the department of agriculture. We are convinced that the health of the Murray-Darling Basin is not Minister Joyce's overarching priority in taking on this portfolio. We will continue to monitor his administration of this very important national reform, but the opposition will support the passage of this bill.

Mr COULTON (Parkes—The Nationals Chief Whip) (19:01): I rise in support of this Water Amendment (Review Implementation And Other Measures) Bill 2015, and I might make some comments on the shadow minister's contribution. I do acknowledge that he is supporting this bill and I do agree with him that the stakeholders, in the basin, are looking for a resolution and completion of the plan.
I will disagree with him about the portfolio going to agriculture. Quite frankly, in the eight years that I have been here, it has only been under the directorship of Minister Joyce that we have started to see some practical outcomes and support for this. Unfortunately, I have been witness to ideological decisions made, here. Undoubtedly, the biggest one was prior to the 2013 election when there was a 450 gig allocation made without any scientific backing at all.

I acknowledge that the Murray-Darling Basin does need to have respect for nurturing agricultural communities and the environment from one end of it to the other. I speak with some authority on this as someone who represents 25 per cent of the basin and, with voters willing, after the next election, somewhat more than that from the Lower Darling to the Queensland border. Those rivers in the Murray-Darling Basin are the lifeblood of those communities.

The shadow minister mentioned the importance of engaging the Aboriginal people in those areas. I do agree that the river is very important to those constituents of mine. There is no greater example of this than the community of Brewarrina where the historic fish traps are located. The whole focus of Brewarrina and the other river communities is that river. It is the lifeblood of the town.

This bill, basically, is implementing the 23 recommendations of the review of the Water Act. I will not go into all of them, but a significant one is the Commonwealth Environmental Water Holder, the CEWH, having the ability to trade in the water market. I certainly do not see this as the CEWH becoming a proxy licence holder for Commonwealth water. Far from it. But it is important that the CEWH has the flexibility to trade surplus water and use those funds for other measures that will benefit the basin. At the moment, the CEWH is restricted by having to use the money gained from water sold to purchase more water, which belies the real purpose of selling the water in the first place.

That will be a major change. It will also put some flexibility into the system. In my eight years, here, I have heard countless speeches on the state of the Murray-Darling Basin, and they have been driven through the eyes of ideologues. The part of the basin I represent is an ephemeral system. The rivers in the northern basin are ephemeral rivers. Traditionally, they go from periods of flood and high flow to periods of low flow and, in some cases, no flow. We need to remind ourselves that we are dealing with an ephemeral stream and no two events, in the basin, are the same. There is great expectation, as water is running over weirs in the Warrego River in Queensland, that this water can make it through to New South Wales and give some relief to the Darling River in western New South Wales, because no two rainfall events are the same.

A system that does not have the flexibility to review what is working and what is not has a negative effect and makes it very difficult for stakeholders to work their way through the issues we need to deal with. A lot of the assumptions that were made back in the early days of this reform process were merely assumptions. Now, as we are 10 years through the process, we have data to put against those assumptions and review whether those assumptions were correct and, if they were not correct, whether we need to make some changes and finetune things.

One thing for sure is that we need to have maturity with our approach to this. This is not about South Australia versus Victoria versus New South Wales versus Queensland. We all rely on the health of that river and we all should have some understanding of the system.
my area several of the major rivers are terminal; they do not run into the Darling. They are isolated. We should have acknowledgement that it is not a connected plumbing system and that it is complex and that it changes on a regular basis. We do have iconic environmental assets, of which the shadow minister spoke. In my part of the world we have the Macquarie Marshes and the Gwydir wetlands. These areas have great significance and are of environmental importance, but it should not be one versus the other. There is no reason why water cannot be used for production, amenity, Aboriginal cultural purposes and also for environmental purposes. The water can be reused as it makes its way down the system, and we should have the flexibility to recognise that.

This legislation follows on from legislation, introduced by the minister before Christmas, that capped the buybacks at 1,500 gigalitres. I need to reinforce that that is a cap—it is not an aspiration; it is not a target. That legislation and this legislation having bipartisan support and a genuine feeling of cooperation to get to the end of the plan with reasonable outcomes is very important because at the moment there has been a lot of talk—in this place in particular but around Australia—of the growing world population and of the free markets that we have opened up in countries to our north in Asia and there is a great amount of interest in investing in agriculture. But unless there is some security attached to water within the bounds of climatic variation, unless there is some security that people can purchase land and purchase water with a degree of competence that, all things being equal, they will be able to use that water to produce food or fibre, then investment in regional areas is going to be somewhat curtailed.

I believe that the communities in the basin—and I can speak for the ones in my area—are reformed to the back teeth. They have had enough of reform. They went through a period of state government reform before this plan was enacted. It was conceived 10 years ago. They have gone through 10 years of this and, quite frankly, they have had enough. They want some certainty. They want to be able to focus back on how they are going to produce what they need to. They need to focus on having sustainability in their communities, and communities in my area such as Warren, Moree, Bourke, Narrabri and many others have had huge effects from the loss of water. At the moment plantings of irrigated crops in the Parkes electorate are very minimal because our storages are very low. This is more a result of the drought than anything to do with the basin plan.

I very much support this process. I am committed to working within the communities in my electorate. After the next election, should I be successful in contesting my electorate, I will be representing the community of Broken Hill. I also acknowledge that that community has very serious issues with a safe and regular water supply and that my colleagues in the New South Wales government who are responsible for supplying urban water are working very closely with that community at the moment to find a resolution that will give some comfort to the residents of Broken Hill. They have my full support in that.

We are on our way to having a plan in place. This bill will allow for five-yearly reviews so that we have the flexibility to make the changes that need to be made. I would like to acknowledge the people in my electorate who have been actively involved in this process. They have done it in a magnanimous way. Some peak bodies are my irrigator groups. I have members of the community that are involved in other reviews on the social and economic benefits
They are taking their jobs very seriously to make sure that we have a plan that is fair and sustainable and that looks after the communities, the environment and agricultural production. This bill has my complete support.

Ms LEY (Farrer—Minister for Health, Minister for Sport and Minister for Aged Care) (19:15): I am very pleased to speak on the Water Amendment (Review Implementation and Other Measures) Bill 2015. I believe it is an important first step on the road to a better Basin Plan. I am delighted to follow my colleague the member for Parkes, who, as he just explained, will get the support he talked about wanting to get. I know he will be the next member for Broken Hill and he will, like me, fall in love with the far west of New South Wales—the far west that he does not already know—and also come to appreciate the real difficulties that are being faced by people on different parts of our river systems when it comes to how we best support our communities in the context of this Basin Plan. The redistribution in New South Wales will see me take on the areas of Griffith, Leeton, Narrandera, Coleambally and Hillston and I am very excited about that. I am sad to lose the territory that I have just talked about. I believe the electorate of Farrer will indeed become the home of irrigated agriculture.

We have an opportunity to speak up for what we do, how well we do it and why we need to continue to have the access to the infrastructure that enables farmers and farming families to be innovative, to grow food, to do it differently than their fathers and their grandfathers did, to come up with new ideas for new investments, to add value to a commodity and to transport that to market. We have seen that so successfully with the rice industry. I know there are increasing plantings of cotton in my area and also in the area of the member for Parkes. Clearly the vertical integration of our agricultural industries is something that does add value, that does employ people and that does grow jobs. It is interesting and it is fascinating to acquaint yourself with the many different farmers, their families, their livelihoods, their histories and their contribution to this nation.

I am sometimes very sad by the lack of understanding on the eastern seaboard. If you look at New South Wales, it is very much defined by the Great Dividing Range and that is indeed the city-country divide. I am sad that there is such little understanding of what happens on the western side of the range. Even in my 15 years in parliament, I have noticed that that trend has only increased. We are facing a challenge when it comes to the implementation of the Basin Plan because when we talk about it in this place, when the member for Parkes talks about it, when the member for Barker—who will be in after me, who represents irrigators in South Australia and who is in doing a fantastic job in his electorate and I say that with my Minister for Health hat on—talks about it and after the contribution we heard from the member for Murray—also a great friend of mine across the river in Victoria—we get a sympathetic hearing but we do not always feel that we are getting our message across, not just in here but out there in the wider population, because 85 per cent of Australians now live 50 kilometres or closer to the coast.

I talked about vertical integration and the rice industry and I am very sad that recently we lost 50 jobs, most of them in the Deniliquin rice mill and some of them in Leeton. Sunrice is indeed an iconic Australian company. It punches above its weight in world markets. During the drought the way it kept its brand alive was truly remarkable. So when you buy your Sunrice packet, you might not always have Australian rice in there but you know that you
have the quality that you have come to expect and you also know you are supporting a great Australian company.

So because of principally low water allocations this year, we do not have the rice crop that we had last year and those jobs have had to go. Whenever you lose jobs in rural areas, the effect is much bigger than it is anywhere else and indeed it is big enough in the cities as well. While I am sad, I am not despondent about the future; I am optimistic about the future. I know that while we had low allocations this year, those allocations can increase next year. We have had 100 per cent allocations before and we will again. The lack of inflow into the catchment has been the primary reason for general security allocations in the New South Wales Murray River system being around 12 per cent. That is not enough. While some farmers were able to run a dryland program and did very well because cattle prices and prime lamb prices were pretty high as were the prices for other cereals. They did not, in many cases, use their water to grow a rice crop. They sold it and, while the sale price might have been reasonable, effectively, that production went down the river to somewhere else.

There is always good and bad when it comes to reform. The good in the freeing up of the water market does mean that your water has a value. You can sell it on the temporary water market and you can realise a reasonable income from it. That, as I said, is a good thing. The bad thing is that you do not grow a crop—the jobs in the rice mill are not there. You do not have something happening on your farm that is producing income for Australia and your community tends to suffer as a result because activity becomes depressed. We are not happy with the state of affairs with the Murray-Darling Basin Plan in my area and we want the Murray-Darling Basin Authority and the architects of the plan to deliver the flexibility that I know is in there.

Some people are asking that the plan be torn up and thrown away or paused. I do not support that. I support some aspects being placed, if you like, in a holding pattern while closer observation is made of the effect that some things are having—particularly the constraints management strategy—on those who have their farms along the river, who are simply looking at being flooded by this delivery of water further downstream. We need to take a close look and do that in a sensible way. But there has been a massive coming together around this plan, and all of the pain that it has caused needs to be worth something. We will get there. We will get to a point where farmers and communities can feel that they are confident in what is being done—often, they feel, to them—by government.

I have a simple measure of when this will be achieved. It will be when people can say they have confidence in the Murray-Darling Basin Authority, they have confidence in its policies and they have confidence in what is happening around them on their farms, in their river systems, in their local land services—and that simply is not the case. So I simply stand here as a local member reporting those feelings, those passions, those views and those concerns. But, again, I am optimistic. We will work with local communities. Yes, there will be changes to the plan, and some of those changes have been foreshadowed in this water amendment bill, and I support all of them.

My communities were consulted very strongly. They had the opportunity to have their say, and there is broad support. I thank the Minister for Agriculture and Water, because he has taken a close interest in this bill and in what we might do next. I do not want communities to say, 'Okay, governments have done what they are going to do. That is it. They think it is all
sorted,' because I know it is not. So this is an important first step, as I said, on the road to a better Basin Plan—one that does not give everyone everything that they want, because it never can, when you consider the variety of needs in the basin. But I know that I can agree with my colleague the member for Barker, who represents South Australian irrigators, and I can agree with a lot of people in the city of Adelaide, and they can agree with us. What national governments have to do is to capture all of these views and put them together in one place.

There needs to be recognition that the massive social upheaval that has happened in irrigated agriculture in parts of the basin has changed the face of these communities forever. People have accepted that, but we need to acknowledge what it has done and we need to acknowledge the changes that have been wrought upon families and their farms and of course their finances. We have to acknowledge that it has not been easy. When we are in a position to make some changes to the plan, in consultation with the authority or through the authority—because it is, after all, an independent body that manages these things—then we should stand ready, and we do, to support that.

So I am really pleased that the minister is just finding a date to come and talk personally to my communities and hear from them directly, even though, having had the portfolio in opposition, he is familiar with our needs and where we are coming from. I am pleased that the new CEO of the MDBA, Phillip Glyde, took the time to come through some of my communities, principally Deniliquin, recently. It was about his first week in the job—he had not even got his feet under the desk. That was terrific, and it was terrific that, as he sat down with the various groups that I asked him to meet, he said: 'Give it to me straight. Tell me what you have not liked. Tell me about your interactions with the authority. Tell me what it has meant to you and where you think we could improve.' I do not think I have seen a CEO with his guard down to the extent that Phillip Glyde had on that day, and we really appreciated it.

As I said before—and it is not an easy thing to say—we do need a change of culture at the MDBA. We actually need the people who work in areas quite remote from the basin to spend more time in the basin. It would be great if some jobs could be located there. I know that is not always going to be possible. We certainly need those people to spend some more time in the basin. Their consultations have not always been good ones, and sometimes it is a challenge and sometimes they need to spend a bit more time listening and a bit less time talking. Their consultations need to be more meaningful and they need to explain, to understand and to take these messages back, because, if the authority takes messages back to the agriculture minister, with that can come the impetus for change, can come the requests that we are making. This is not about us and them, and it cannot be, but it is about improving the lot of the people that I represent.

I talked about confidence. The confidence that we need could come, for example, from an audit of what is going on with the environmental watering system, because the Commonwealth Environmental Water Holder, constrained by legislation, less constrained after these water amendments pass—again, that is a really good thing—is responsible for the watering plan. When you go through all this pain that I have talked about, when you go through this massive social adjustment, you want to know that the water that has been bought by the Commonwealth, that is being retained and that is being delivered across the basin is...
actually delivering the positive environmental outcome that underpins the policy in the first place. That will go a long way to providing the confidence that we need.

I am very committed to our local land services playing a role in that, because they work in the basin; they live in the basin. They are foresters, fishers. They are absolutely networked with our farm communities. They know everyone. They know the history. They are not there as a partisan group; they are actually, in the best possible way, a disinterested party when it comes to allocations, to productivity, but they understand the geography and the landscape and what works and what does not work when it comes to the important issue of environmental watering. We cannot go through all this and not have the environmental tick that we know we need. It would be a mistake to think that the people I represent do not want to see healthy rivers, healthy systems. But, my goodness, they want to see healthy communities, and they deserve the investment that this government is making. There are a lot of dollars attached to this process. The minister has talked about them. They deserve that investment to work for them, to deliver them a future for their children, a future that they can be confident is a bright one.

Mr PASIN (Barker) (19:29): In reflecting on the contribution the Minister for Health just made in her capacity representing irrigators, I note that it is great that we are now at a place with respect to the Murray-Darling Basin Agreement where we can agree much more often than we disagree—and that is both with colleagues interstate and also across the divide. It ought to be remembered—that it is seminal that this agreement has been negotiated by those opposite, and my constituents are grateful for it. We are in an environment, in this space at least, that is bipartisan—and it should be, because this river and its communities are so important.

I support the Water Amendment (Review Implementation and Other Measures) Bill 2015. I have reflected many times in this place on the vibrant agricultural capacity of my electorate of Barker. In my first speech in this place I said that Barker is an electorate that has given so much and asked so little in return. The engine room of regional South Australia, if you like, Barker produces over 50 per cent of the valuable agricultural produce of that state. Barker is an electorate gifted with abundant natural resources perfectly suited to agricultural production. Through the efforts of migrants such as my own parents, a vast and productive agricultural sector has thrived across the region that I have called home since my birth. From the volcanic regions of the South to the Riverland in the north, human enterprise and Australian ingenuity has harnessed these natural resources and delivered to the world a broad spectrum of first-class agricultural products.

Be it on the universally renowned floor of the Barossa Valley or the vast expanses of the plains of the Murray lands and Mallee; Barker delivers some of the very best produce to the world. Be it grain, vegetables, fruit, timber or livestock for meat and dairy, Barker continually delivers. In communities like Angaston, Waikerie, Penola, Karoonda, Loxton, Lucindale, Meningie and Lameroo, Barker delivers. The undying industry that typifies the actions of the residents of my electorate is an inspiration to me. I have often said that I would be Barker's voice in Canberra and not Canberra's voice in Barker, because, as I said in my first speech, Barker is an electorate that has delivered so much but sought so little in return. Decisions made here in the national capital with respect to water management have the capacity, as we
heard from the Minister for Health and other members, to have an intense impact on our parts of this vast nation.

As the son of irrigators, I understand the importance of effective management of water resources, as do farmers and producers across my electorate but particularly in river communities. I share their frustration with the often opaque labyrinth that is the bureaucratic system of water management in our country. Water management specifically in the Murray Darling Basin is an issue of the utmost importance, particularly for my constituents who derive their income from it. The debate surrounding water management in this country is particularly difficult to access even if it directly affects you or your business—the layers of bureaucracy can seem suffocating. Further, it is an issue that many in metropolitan parts of this nation do not fully appreciate the significant impacts mismanagement of water can have on food and water security in our urban centres. Adelaide is a perfect case in point.

Given my electorate is a regional one which derives much of its enterprise from the agricultural sector it is unsurprising that the management of our water resources is one of my primary concerns in this place, especially given my electorate's position at, effectively, the end of the river—beholden, if you like, to those upstream. As the member for Barker, effectively I am the member for the River Murray in South Australia. That is why I am actively engaged on the issue of water management and the Murray-Darling Basin Plan, and that is why I am encouraged that we have the plan and that we are working to ensure it is implemented on time and in full. In this regard I have to acknowledge my friend and mentor Neil Andrew, who has taken the chair of the Murray-Darling Basin Authority—and a better man in that position there could not be. Of course he was also Speaker of this place in his capacity as the member for Wakefield. I have spoken about our delicate place in the ecosystem of the river. That is because we are at the end of the basin and we are beholden to the water management architecture of the basin and particularly the upstream system. All members in this place can agree that our water resource is one of our most precious resources in this nation, and indeed Australia is often touted as the driest inhabitable continent on earth.

I am proud to say the coalition has a strong track record of delivering water reform for the benefit of the nation, and the bill before the House is part of that continuing tradition. Under the Howard government, the Council of Australian Governments agreed in 2004 to the National Water Initiative, laying the foundation for nationally consistent water planning and management for rural and urban use. In 2004! We were talking about the need to manage the River Murray in the national interest prior to Federation, so that was a significant step. We saw then that more coherent policies in this space balanced economic, social and environmental outcomes. In 2015 the current government continued this tradition through the establishment of the National Water Infrastructure Development Fund. It is a fund which is directed at building and upgrading dams and pipelines and it undertakes the management of aquifer recharge. The fund is one which will aid in securing the nation's water supplies and will deliver strong economic benefits for Australia, while also protecting our precious environment.

I am fortified by the actions this government is taking in delivering the most significant water infrastructure program in Australian history. We are investing a whopping $2.5 million a day in the future sustainability of irrigated agriculture right out to 2019, and $13 billion has been committed to basin initiatives between now and 2024, with the majority of funds
assisting irrigators and communities to make more efficient use of the basin's water resources in the production of food and fibre. This government attaches the gravity that effective management of our water resources demands. Many of us on this side of the parliament, including me, appreciate the very high value of water through firsthand experience working the land.

Our commitment to more-effective water resource infrastructure represents the biggest investment, in real terms, that has been made by the Commonwealth since building the Snowy hydro scheme, which of course was an important infrastructure project in and of itself. This investment is already delivering excellent results for both on-farm and off-farm infrastructure projects, with more than 10,000 individual irrigators benefiting from infrastructure renewal and upgrades.

The legislation before the House complements our investment in the Murray-Darling Basin water infrastructure through delivering more-effective management. The two go hand in hand. Of course, we require that most desperately. This legislation moves us towards a more effective management of our water resources. It does this through making the legislative amendments required to implement the government's response to the Report of the independent review of the Water Act 2007. This bill draws on the findings of the Water Act review, which employed a comprehensive consultation process across our electorates. The process was conducted in the basin states of Queensland, New South Wales, the ACT, Victoria and my very own state of South Australia. Drawing on the experience of a broad range of stakeholders, the consultation process engaged key industry groups, environmental organisations and basin Indigenous groups for their perspectives on an exposure draft of the bill.

Consistent with the recommendations of the Water Act review, this bill will deliver for farmers across the basin states. It will implement measures to ensure environmental water resources are managed as efficiently and effectively as possible; it will deliver a more transparent and effective water market; it will ensure better evaluation and monitoring of the social, economic and environmental effects of the Basin Plan; and it will achieve a net reduction in the regulatory burden on farmers, through cutting unnecessary and inefficient red tape and regulation.

The coalition is working with industry to identify further options to improve the transparency of the water market, something I am sure the member for Murray will address in this House shortly. Ultimately, this government aims to deliver a transparent market that delivers better access to water at a reasonable cost rather than a system that impedes access to water allocations, as occurs in some cases under the current arrangements. This government is pursuing an improvement in the quality and availability of market information for water users across the basin through measures within the legislation that is before the House. We are also committed to bringing forward legislation this year to establish a foreign ownership of water entitlements register and, in so doing, delivering more transparency to our water market.

Importantly, this bill comes on the back of a decision and legislation in this House to cap water buybacks at 1,500 gigs. We heard from the Minister for Health how important river communities are, how important it is that they remain vibrant and that there have to be sustainable levels of economic activity within those communities. The Water Amendment Bill 2015, which came before the House late last year and, thankfully, was passed in both places,
is a significant fillip in that regard. It is of course a cap, not a target, but it provides some certainty to communities that we will not see wholesale buybacks, which effectively operate as kryptonite to communities, in my view. Nothing is truer than that buybacks kill communities.

In addition, the Water Act review and its recommendations highlighted an inconsistency related to the Commonwealth Environmental Water Holder. If he—or she; obviously, it is 'he' at the moment—as the largest water holder in this country were to trade in his water, or the Commonwealth's water, the income from that trade would need to be put towards buybacks. Of course, given we have indicated a preference to avoid buybacks, that was inconsistent. I am pleased to say that that is no longer the case. The Commonwealth Environmental Water Holder can now enter the market, provide water into the market in times of high flow, thereby, we hope, putting downward pressure on the price of that water, and the revenue that is derived from that transaction or that temporary trade can be used for works and measures, not dedicated specifically to buybacks. I commend the Minister for Agriculture and Water Resources for having consulted and heard the backbench and for coming to that decision.

The residents of my electorate of Barker sent me here to advocate for their interests, and I thank them for that privilege every day. This legislation is not a silver bullet. I am sure the member for Murray would agree with that sentiment. We are not going to solve the many challenges facing the management of water resources in the basin through this bill alone, but it is a step in the right direction. Implementing the measures within this bill will improve the practical operation of the Water Act to better support the economic, social and environmental benefits of the Murray-Darling Basin Plan.

As many farmers across Barker and, indeed, across all the basin states will attest to, the journey to this point has been a long one and it has been difficult. Sadly, there is more work to do. I acknowledge that we still have much, much more work to do. But I am heartened by the coalition government taking a measured and responsible approach to reforming our water resource management. I welcome further reform in this space as we continue to strive for better outcomes for our irrigators. I will continue to fight for a better future for farmers from Loxton to Renmark, from Mannum to Murray Bridge and, indeed, right across the basin—not just in my electorate but, in the national interest, the length of the river, throughout the Murray-Darling Basin.

I said when the minister for agriculture took responsibility for water, when the portfolio responsibilities changed, that I would maintain a watching brief on behalf of the people of South Australia. I continue to do that, but I am pleased to report to the House that this is a positive step, most certainly in the right direction, and I congratulate and thank the minister. I welcome his continued commitment to acting in the national interest throughout the basin. I commend this bill to the House.

Dr STONE (Murray) (19:44): I am very pleased to stand to speak to the Water Amendment (Review Implementation and Other Measures) Bill 2015. There are some elements of it which are long overdue, in particular the whole business of making sure the Commonwealth Environmental Water Holder is able to sell its water onto the irrigators market without it having to go into the irrigators market to buy back more water. I strongly believe that the Commonwealth Environmental Water Holder has deliberately only traded several times, despite the urgent need for that water to be placed back in the irrigators market,
because he knew how much distress would be caused by CEWH being seen to further erode the viability of irrigation systems and farm properties by clawing more water out of the productive part of the system.

The Murray-Darling Basin is an extraordinary part of Australia. It is the biggest fertile crescent in the country. It supports millions of people. It is the most valuable and profitable part of the food and fibre production enterprise in the country. It is not exactly news to anybody that what we called the millennium drought was one of the longest and most sustained droughts in the history of Australia. It began, roughly, in about 1995 and finally dissipated in about 2010. In the middle of that worst drought on record, we in the coalition government under the leadership of John Howard introduced the Water Act 2007. The now Prime Minister was one of the chief architects of the Water Act 2007. He wanted to make sure, in fact, that the act was designed to ensure there were key, deliverable, balanced social, economic and environmental outcomes for the Murray-Darling Basin. Those were extraordinary times. There was great distress as a consequence of the drought, when the Water Act 2007 was enacted.

The amendments we are discussing tonight have had a lot of exposure to the basin community. Most of these amendments received strong support from the basin community, but they do not go far enough, as most of us in this place have been saying tonight. I am sad that it is only now after so many years, when it was obvious we needed to amend the part of the act which required the Commonwealth Environmental Water Holder, if trading, to have to buy back more water. That is a very important amendment, one that I wholeheartedly support. Despite a triple bottom-line outcome being required in the Water Act 2007, the amendment of item 13 of section 22(1) will now provide that in addition to the five-yearly reviews of the water quality and salinity targets and the environmental watering plan, there will be a five-yearly review of the social and economic impacts of the Basin Plan. Such impact assessments are essential, and it is remarkable that we need to add these to the act now.

There has been some socioeconomic impact work done in the basin, but it has been poorly done. It has been done by vested interests, who came up with statements like 'willing sellers' when, for example, the environment minister of the day, Penny Wong, was active in the irrigators market offering tenders of up to $50 million. The banks saw this as a great opportunity to have some of their debt paid down if irrigators with unbundled water and land entitlements entered the market and sold their water off to the Commonwealth Environmental Water Holder. No-one did any social impact assessment or economic impact assessment of the likely outcomes of, in my case in Northern Victoria, some half of my dairy farmers being forced by their banks to sell all or most of their water entitlement. Where was the social or economic impact work to see what would come as a result of those farms no longer being able to rely on any water security? At the time, the temporary water market was only some $40 per megalitre in the southern basin. It seemed possible to live on an irrigated property and depend on the temporary water market. Blind Freddy, if he had taken a social and economic impact assessment survey of the likely consequences of putting $50 million into a tender, uncapped and untargeted in the middle of the worst drought on record, would have had immediately an understanding that the prices of the temporary market would rise dramatically as the number of buyers in that market doubled and tripled while the water in the pool shrank.
Now in the Murray-Darling Basin some $5 million to $7 million in productivity is being lost per day. While we rightly talk about the good news of $1 million to $2 million being invested per day for the next several years in irrigation water infrastructure by this federal government, we have to weigh that up against the $5 million to $7 million in productivity being lost per day in perpetuity owing to the diminished access to secure water for farm enterprises and for food and fibre manufacturing. This has led to extraordinary concern about the very viability of irrigation systems, both in southern New South Wales and in Victoria, and even in South Australia.

Those buybacks were not from 'willing sellers'—they were from forced sellers facing the worst drought on record and doubled debt. Because buybacks occurred non-strategically, most irrigation systems in the basin are now faced with real concerns about stranded assets, less viability, higher costs for those remaining in the irrigation systems and no real end in sight, given that not much water is being traded back into the system. The market has been captured by speculators and others like the Victorian and South Australian governments, who have found buying and selling water into the irrigators market each year to be a very nice little earner—and it is cheaper than turning on their own desalination plants in Victoria and in South Australia. In the case of Victoria, Melbourne Water's 75 gigalitres cannot be accessed from the Goulburn-Murray irrigation system any more. The pipeline is closed. But it certainly makes a nice little earner for the Victorian government when that 75 gigalitres is speculated with in the irrigators market each year.

Murray Irrigation, the West Corurgan Private Irrigation, Southern Riverina Irrigators, the Murrumbidgee Valley Food and Fibre Association, Griffith Business Chamber, 'Speak up' Campaign, Goulburn Valley Irrigators and Communities, Release Water4food, the food manufacturers association of Goulburn Valley—all of them have come to me and we have discussed together what can be done. The Murray-Darling Basin Plan was cobbled together without enough science—with the government of the day dominated by environmentalists who had one thing and one thing only in their minds, and that was that irrigators had to relinquish as much water as possible to keep the mouth of the Murray open—so these irrigator associations, community groups and irrigation authorities are saying: how can we restore real balance to the Murray-Darling Basin Plan?

There was a publication very recently released called, 'Corporate Knights: the magazine for clean capitalism'—a rather unusual little document. I think one of the articles in it summarises very much the dilemma we have with the so-called experts or specialists who comment inappropriately about the natural state of the Murray-Darling Basin. For example, according to one article:

Still, as the Millennium Drought wore on, the Murray-Darling river system was once again at the brink of collapse. 'It didn't flow to the sea and had to be dredged for five or six years,' said Grafton. This is Quentin Grafton, Director of the Centre for Water Economics, Environment and Policy at the Australian National University. The article continues:

It was obvious that the first cap on extraction hadn't managed to retain enough water during extreme drought. The point is that the natural circumstance of the Murray River system means it does not flow to the sea all of the time. In fact, when the first white explorers of the Murray-Darling Basin—Sturt et al—got to the sea at the bottom of the system in South Australia, they realised...
the boats they had been hauling for so many thousands of kilometres were useless. They were met with sand dunes.

If the mouth of the Murray was meant to be a continuously flowing channel, there would be red gum forests there, not waves of sand dunes. But it would seem that the so-called specialists in Australia have come to a conclusion that having the mouth of the Murray flow continuously and free without the aid of bulldozers is a surrogate for the environmental health of the basin as a whole. Somehow that free-flowing channel of the Murray River water out to sea is seen as a natural circumstance that wicked irrigators have changed through profligate use of water to grow food and fibre. I repeat: there is not a single stick of red gum forest at the mouth of the Murray. There are sand dunes and it is an ephemeral stream.

In natural conditions when it is a drought in Australia—and we are the land of floods and droughts with a climate that is one of extremes—the realities are people used to cross the bed of the Murray River and have picnics in the bed of the Murray river about every 10 to 15 years. In fact, the original Indigenous nations in the Murray Valley did not have their tribal countries end at the Murray River. That was not the border. They invariably crossed the Murray River in their tribal country because they could so often walk across the Murray to reach the other side.

So I am concerned that we still today have this obsession with the idea—from some—that the Murray River is still in a bad way because irrigators operate and produce food and fibre for the nation and for exports. In fact, we now do have a serious circumstance where in my Goulburn Valley Irrigation District we have population and community collapse. I am seeing half of the irrigators' water gone to the Commonwealth Environmental Water Holder, which carried over more than 450 gigalitres last year and over 300 gigalitres the year before because it could not use this water for the environment; it simply had too much. Then I read this statement from Jamie Pittock, Associate Professor at the Fenner School of Environment and Society of the ANU:

…there’s still not enough water for the environment, said Pittock, pointing to Murray River’s ongoing struggle to flow to the sea and the challenging task set for environmental managers to craft an ecosystem that requires less water. 'It’s a triage program,' he said.

That is ridiculous. The Murray-Darling Basin is a managed system. It is a system that suffers droughts and floods. It is a system that has brought prosperity to eastern Australia. Many farmers and irrigators are now on the brink of having to leave their properties because they can no longer access sufficient water for permanent plantings. If you are a rice grower, you wonder from year to year if you can put in a crop. This year it was a bad year and so unfortunately the rice mill at Deniliquin has closed with the loss of 50 jobs.

I have to say that this bill is addressing some of the problems with the Murray-Darling Basin and its plan. It does not do enough yet. It is a work in progress. But I commend our government for beginning the task. I commend this government for understanding the need for a triple-bottom-line approach. Irrigators are not the enemy of the environment; they are in fact the stewards of the environment.

I commend this bill to the House. But I say that it will be one of many we will be bringing into this place. I certainly ask for a little more serious and proper research and real science to be applied instead of hysteria and nonsense about a system, which has never been a fast-flowing Mississippi. Thank you.
Mr McCormack (Riverina—Assistant Minister to the Deputy Prime Minister) (19:59): At the outset I will commend the member for Murray for her diligent and ongoing work in the water space. Nobody has fought harder than the member for Murray for a good outcome as far as a triple bottom line approach to the woes that are the water debate. As I said, I certainly give her credit for the job she has done and that she will continue to do as long as she is a member of the lower house here in the federal parliament.

A bit of history and a bit of praise for a former Labor government—and this comes from the book Snowy: The People Behind the Power. I read from the introductory pages, where it says: 'The Snowy Mountains Hydro-electric Power Act, No. 25, was passed through the Commonwealth parliament’—this parliament, but in a different place, of course, just down the hill—‘on 7 July 1949, ending more than 60 years of proposals and speculation about the development of the water resources’—water resources, that is important—in Australia's highest landmass. Establishing the snowy scheme was to be one of the last undertakings of the Chifley Labor government.’ Good on that administration, which lost power to Robert Menzies's Liberals in December the same year but certainly began the work for what was, as the book points out, ‘a remarkable and ambitious project which would mark a coming of age for Australia’. Indeed, it certainly did. The Snowy hydro scheme was the biggest construction project ever undertaken in Australia. It was the diversion of the Snowy waters from their path to the sea by means of tunnels under the Great Dividing Range. They would instead be channelled westwards to flow into the mighty Murrumbidgee and Murray rivers and irrigate the dry inland. We all know that the scheme helped the Murrumbidgee Irrigation Area and the Coleambally Irrigation Area—those two fine food- and fibre-growing regions which I represent. They are in the Riverina electorate now. Unfortunately, due to the Australian Electoral Commission, they will be in the electorate of Farrer after the next election. I say 'unfortunately' because those areas have been in the Riverina boundaries since Federation in 1901—I mean, why would you leave them in the Riverina? But I am being a bit facetious.

Certainly, food and fibre growing is something that the Riverina does very well. In fact, I heard the minister at the table, the Deputy Leader of the National Party, say that the farmers of Parkes were some of the finest in this land. Of course he is right, but he has been to my area many times, doing a fine job as the Minister for Agriculture and Water Resources, and he understands just how important a role Riverina irrigators play in this nation. I commend the minister for pushing ahead with the Water Amendment (Review Implementation and Other Measures) Bill 2015, because, as he knows, water is not always a popular subject in this place. He understands as well as anybody that the water amendment bill is a difficult topic. It is a difficult topic at the moment with the Senate, which sometimes needs massaging to get policy through. He understands that it is a difficult topic to get agreement on with the other side. We saw in the last parliament just how difficult it was with the guide to the proposed Basin Plan. I am not using props, but I have here just a few of the voluminous tomes that were produced, many of which ended up in flames at Griffith, and, some might argue, rightly so. Those fiery meetings—fiery by name; fiery by nature—proved a turning point in the Murray-Darling Basin Plan's implementation because the Griffith farmers and those of the Riverina stood up and said, 'Enough is enough.' Without that advocacy and that passion, I doubt whether the plan would be in the state it is in now. Certainly, there was no triple-bottom-line approach to the plan in those volumes. Certainly, there was no social and economic consideration. There was plenty of environmental consideration—they are environmental
documents—but there was, sadly, no concern and no consideration for the economic and social outcomes for those river communities which I proudly represent and the agriculture minister also proudly represents in his role as minister.

I was certainly heartened when he produced the *Agricultural competitiveness white paper—stronger farmers, stronger economy* last year. On page 33, there is a chapter entitled 'A fairer go for Australian irrigators'. Thank goodness that Barnaby Joyce was sticking up for the farmers; thank goodness that the National Party and those regional Liberals were sticking up for the irrigators—in the last parliament. I hope that they get on board with this proposed legislation to show that farmers are important people. You will need a politician now and again; you will need a priest now and again; you will need a lawyer now and again; you will need a policeman now and again; but you need a farmer three times a day, every day, at breakfast, lunch and dinner. Without good water policy, without a fair go, those farmers are not going to be able to produce the food that we so desperately need. I see the member for Rankin nodding. He understands it—I am sure he does.

In 'A fairer go for Australian irrigators', in the Minister for Agriculture's publication, it says:

In recent years, Australian irrigators have made great strides in improving on-farm irrigation technology. These systems are delivering significant benefits in water-use efficiency.

Indeed they are. I was only too pleased to fly to Coleambally with the minister late last year to visit the Coleambally irrigation scheme and see just how every drop of water is being used to full effect. Unlike the environment, my irrigators—those the minister represents in his portfolio area—have to absolutely justify and account for every single drop of water that they receive. My goodness, they have to pay for it and then some, but they have to justify it, unlike the environment, where the Labor Party in the previous government wanted to just do these over-bank flows and had no concern about the poor old irrigator. All they wanted to do was water some so-called icon sites, which were part of these, as one would call them, ridiculous volumes that first came out in 2010 as part of the guide to the proposed Basin Plan, thankfully overturned by Griffith farmers.

This water amendment bill delivers on the Australian government's response to the independent review of the Water Act. This review was conducted by a panel of experts, and thank goodness this government consulted, because those on the other side never consulted when it came to the original Basin Plan—save perhaps for a few climatologists who thought that the rivers were never going to run and it was never going to rain again. Weren't they wrong about that! But it was conducted by a panel of experts in irrigated agriculture, business regulation, law and science. The response accepts all 23 recommendations made by the panel in full or in part. It follows on from the very sensible legislation as far as capping—and I heard the member for Barker and the member for Murray talking about this—the buyback at 1,500 gigalitres. That was absolutely vital legislation. In an excellent article in the Fairfax press, Colin Bettles reported on what a difference that legislation would make. On 9 September 2015, a watershed day—pardon the pun—he wrote:

Legislation to cap commonwealth water buybacks at 1,500 gigalitres in the Murray Darling Basin Plan has passed the House of Representatives today.
We heard the member for Barker talk about how buybacks kill communities. Indeed it did. Many of those communities are still suffering. I know that Helen Dalton, an irrigation farmer from my area, as well as the president of the Murrumbidgee Valley Food and Fibre Association, Debbie Buller, made a tour of the Menindee Lakes and other areas just recently and saw just how badly affected some of those areas were, courtesy of—and I use those words in inverted commas—the water legislation which we are trying to fix, which absolutely needs adjusting. This is what this legislation goes in part to do.

The 1,500-gigalitre cap on Commonwealth water buybacks, as Mr Bettles wrote, fulfils an election commitment from the Abbott government and will help provide certainty to rural and irrigation communities. And how important is that—we know that is vital. Mr Bettles’ story even quoted the shadow agriculture minister, who said that the cap was necessary. But of course he then goes on to talk about the recovery of 450 gigalitres of water for South Australia. We all remember the time when the then Prime Minister, Julia Gillard, went to Goolwa and made that announcement just to keep the South Australians happy, because it was all about South Australia; never mind the upstream irrigators who grow the food and fibre that this nation and others need and want and is also going to help our export markets. Those are our export markets that were sovaluably boosted by the Trans-Pacific Partnership, so valuably boosted by the preferential trade agreements brokered by Minister Robb—with South Korea, with China and with Japan—last year. To tap into those markets, to make sure of those export opportunities, we need to be able to continue to grow the food and fibre that have made our farmers as renowned as they are—as the agriculture minister talked about in question time today.

This bill complements the government’s commitment to implement the Basin Plan in ways that optimise the social and economic outcomes. These are words we never heard from Labor, words that they did not care about in the previous government. We had the Independent member for New England going around on the bipartisan regional Australia committee. I was on that committee. We did a lot of talking, but we did more listening, for months on end to bring about a better resolution. We produced a report—quite a volume—with 21 recommendations. If anybody could have forced the issue, the Independent member for New England could have, because he was holding the government’s numbers in the lower house, but Labor chose to do nothing. They chose, unfortunately, to ignore those irrigation farmers’ pleas for help. So I am glad that Labor is on board with this. I am sorry to hear that so many Labor members have stood up and talked about how terrible it is that water is back in the agriculture portfolio. It is where it should be. Water should be in the agriculture portfolio; it is our most valuable resource. As Samuel McCaughey, one of the pioneers of Australian irrigation said, water is more valuable as a resource than any amount of gold. This nation is one of the driest continents on Earth and water is the most importance resource we have.

This is good legislation and I am looking forward to seeing it pass the Senate. It was brought into the parliament by the now member for New England, who is doing a fantastic job in his electorate, in his space of agriculture, with the National Party. I am pleased that this is before the House tonight. I look forward to hearing the minister’s summing up. If passed, the bill will also provide flexibility, as the member for Murray said, for the Commonwealth Environmental Water Holder to use the proceeds of water allocation trade on complementary environmental works and measures. That is good. We are actually going to use the proceeds
where they should be used—not on more buybacks which are going to hurt communities, which are going to provide Swiss cheese effects to those river communities I represent, and under existing arrangements the CEWH is only able to spend proceeds of trade on purchasing water. That is a ridiculous notion. So I am pleased that the agriculture minister recognises that, and this is in this legislation tonight. I am pleased that Labor is getting on board—finally. I have been in this place since 2010 and I have heard very little coming from the other side as far as common sense is concerned when it comes to water. So finally they are getting on board, so that is good. I am pleased that they supported us when the 1,500-gigalitre cap on water buyback was put into place. Finally I hear some common sense from Labor. I will be very pleased now to hear the minister's summing up. It is good legislation from a good minister, and I commend the bill to the House.

Mr JOYCE (New England—Minister for Agriculture and Water Resources) (20:14): It is with great pleasure that I have the opportunity, as one of my first actions dealing with water legislation in this chamber, to deal with the issues of the Water Amendment (Review Implementation and Other Measures) Bill 2015. As was rightly pointed out by the member for Riverina, water is absolutely fundamental, not only to the economy of the people—around 2.2 million—who live in the basin but also to our nation as a whole. He also rightly pointed out that you can have all the gold you want, but you cannot eat it. You certainly require a feed—if you can get it, at least three times a day. Also, reflecting on the member for Riverina saying, 'You might need a priest once in awhile; you might need a solicitor once in awhile; you might need a policeman once in awhile,' all I can say is: I hope I don't see them all on the same day!

But to carry on: water is a precious resource for our communities and the economy and the environment, and it continues to be the critical input for agriculture. The Water Act 2007 underpins the management of our most important river system, the Murray-Darling Basin, in the national interest. I am pleased to be bringing forward my first bill amending the Water Act in my capacity as the Minister for Agriculture and Water Resources. The bill delivers on the Australian government's response to the independent review of the Water Act. The review was conducted by a panel of experts in fields ranging from irrigated agriculture to business, regulation, law and science. The government's response, which I tabled in this place on 3 December 2015, accepted all 23 recommendations made by the expert panel, in full or in part.

The water amendment bill makes the legislative amendments that are needed to improve and streamline the operation of the Water Act and to achieve balanced economic, social and environmental outcomes—and that is so important: to make sure that the social and economic outcomes are in balance with the environmental outcomes. The bill delivers win-win outcomes for agriculture, communities and their environment in a number of ways, including by enabling the Commonwealth Environmental Water Holder to use water-trade proceeds to fund environmental works. This is incredibly important. This is a change that shows that the profits from the CEWH do not have to just go back to buying licences, which would exacerbate the problem, but can be reinvested in environmental works so as to alleviate the problems that are caused by buybacks, which we all acknowledge have a direct correlation to social and economic detriment in communities.

Part of what we are doing is requiring five-yearly reviews of socioeconomic impacts of the Basin Plan. This is also vitally important. At the start of the modelling of the plan, we talked about a social, economic and environmental triple bottom line. We have to make sure that we...
deliver on that. We have got to reflect on the assumptions. We have got to reflect on the outcomes. We have got to take into account that we now have better knowledge because we are in a process where the purchases have been made, and we should be looking at what the effects were and asking: did they fit with our initial model?

We are ensuring a further review of the Water Act in 2024, at which point the full outcomes and impacts of the Basin Plan should be known. We are allowing the Commonwealth Environmental Water Holder to sell water in circumstances where allocations would otherwise be forgone—that is, in certain continuous accounting systems for water. This is also important. We must make sure that this vital asset—this massive asset held by the Australian taxpayer—is used for its purpose but also used in a prudent way so that, if water would otherwise be lost, it should be able to be sold to those who can use it, so as to underpin the economic basis of so many of our regional towns, especially in the basin.

The bill delivers all of these outcomes and, in doing so, underpins the government's commitment to support basin communities, businesses and the environment. As a further outcome of the review of the Water Act, proposed changes to the Bureau of Meteorology's water information arrangements will cut red tape by reducing the regulatory burden on the irrigation sector and state government agencies.

I would like to thank the members of the expert panel for their work in reviewing the Water Act. I would also like to thank state and territory governments and community and industry stakeholders who provided input into the review and helped to inform the panel's recommendations and the government's response.

The bill is a vital piece of legislation that will deliver sensible and balanced outcomes now and into the future. It builds on the government's commitment to sustainable agricultural production, healthy rivers and strong communities—a commitment that includes the most significant water infrastructure investment in Australian history and the 1,500 gigalitre cap on water purchases that was passed by the federal parliament last year. I must say how important that cap is, because it gives at least some sense of confidence that the government will not go on continuing buybacks.

That is a word that we have heard over and over again: people want security. In some instances they feel that more security is needed, and each step is making sure that we work to a process that understands that those in the irrigation industry are not just the farmers, the agents or the water traders but that they are also the people who live in the quiet streets of regional towns, whose houses' value has a direct correlation to the wealth of the area, and that the wealth has a direct correlation to the irrigation of the area. You cannot say to a person: 'We're not going to compensate you. We're sorry. How sad; too bad. The water's gone, so the value of your house has fallen through the floor, but we don't concern ourselves with that,' and then think that there is some form of social mobility or some model that can actually in reality pick a person up from a street in Dirranbandi or Shepparton or Deniliquin and somehow miraculously move them to a different place, into a new job and that everything will go along fine. No. What happens is: the capital base in their life, which they have worked hard for, is lost. Their employment opportunities in the industry that they are trained in are lost. So if their life is affected by reason of our actions as a government, those actions are certainly called into question. We will continue to work in partnership with basin state and
territory governments, and industry and community stakeholders, in delivering balanced economic, social and environmental outcomes for the Murray-Darling Basin.

It is a great privilege to have—and I believe it is well suited to have—water and agriculture together, as they were. Over the course of the history of this parliament, it was always the place you would have expected to find them. It was only for a certain period of time, and for a purpose that is now clearly relegated, that they were split apart. Now that that purpose is predominantly over, they have been placed back together again, as they should be. I believe that, while I have tenure as the Minister for Agriculture and Water Resources and into the future, they should remain as one.

What I do say is that it is vitally important that the role of water and agriculture be taken up by the opposition. No doubt we all acknowledge one thing that is an absolute truth: we are in an election year. We will be looking forward to the Labor Party, the Greens and the Independents working together and coming forward with a clear policy, a clear outline, for the Australian people as to what their views are in the agricultural and water resources space. Let's remember that our nation now relies more and more heavily on the outcomes of the soft commodities sector. We have clearly stated that agricultural exports are now the second biggest export after iron ore. They have overtaken coal and they continue to grow. This requires real attention by a group that sees themselves as the alternate government. This is a section of it. I compliment them on their bipartisan support of this.

Question agreed to.
Bill read a second time.

Third Reading

Mr JOYCE (New England—Minister for Agriculture and Water Resources) (20:23): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Insolvency Law Reform Bill 2015

Second Reading

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

Dr CHALMERS (Rankin) (20:24): I rise today to outline Labor's position on the Insolvency Law Reform Bill 2015, knowing that insolvency is not often at the forefront of most Australians' attention or interest. Perhaps we think about insolvency only when we hear of high-profile cases of business stress, like, for example, the recent administration of Dick Smith, which is currently underway and ongoing. The reality is that the insolvency profession is an incredibly important part of our financial system. It caters for thousands of cases of business liquidation, administration and restructuring each and every year. It is for this reason that having a strong framework to underpin the insolvency profession is so important and why it is such a good thing that we are debating this legislation before the House today.

The bill does make some substantial changes to the way in which insolvency professionals are registered, disciplined and regulated. This legislation has been a long time in the making;
it has been a long time coming. It was first triggered by the 2010 Senate Economics References Committee report into the regulation, registration and remuneration of insolvency practitioners in Australia—the case for a new framework—and the last Labor government went through an extensive consultation process on insolvency law reform which culminated in draft legislation in 2013, but unfortunately it was unable to be considered by this place prior to the last election.

I want to take the opportunity to acknowledge the work that was done by some great parliamentarians, three of whom are no longer here and one is retiring: David Bradbury, Robert McClelland, in the first instance, and my great friend the member for Oxley, alongside Nicola Roxon, who did a lot of the leg work. We see some of that consideration and some of the elements of that work in the draft legislation and in the bill, which we will be supporting through the parliament.

We do note, though, that the bill contains just part of the legislative reform to insolvency which has been foreshadowed by the previous reports and previous efforts and by the government itself. We have the Assistant Minister for Innovation here at the table. The government have flagged, through the innovation process, that there will be additional action taken as it relates to insolvency, so we wait to see the detail of those measures that they have flagged. This is the first instalment and, arguably, it will probably be the least controversial instalment of the insolvency arrangements. We wait to see the other components. We call on the government to release, as soon as possible, the full detail of the proposed reforms to the framework so that we can give the industry confidence and allow the insolvency practitioners the opportunity to prepare for the changes, consider them altogether and properly prepare for the sorts of changes that they need to make to help strengthen the framework that we are talking about.

We would all like to think that all businesses in Australia will be successful all the time, but the real world is obviously very different. If you take some ASIC statistics, last year they showed that something like 9,177 companies entered into external administration. Business failure can be a very stressful time for those involved—obviously for the owners but also for their loved ones, as well as the managers, employees, creditors and customers who may be affected. So it is a very sensitive part of the financial system. Insolvency practitioners, including 707 registered liquidators in Australia, have a number of roles to help manage this stress and to help turn around a business, if that is a viable option and is possible, or to salvage what they can to leave as few people out of pocket as they can.

While the current insolvency framework does a pretty good job of balancing the interests of creditors and businesses in distress—not in all cases but in many cases—there have been some high-profile cases of misconduct by corporate insolvency practitioners. Unfortunately, we only hear about the very high-profile cases of business failure or the very worst cases of misconduct, which I think is one of the reasons why insolvency practitioners received the lowest rating for perceived integrity in the latest survey of all the various ASIC stakeholders. We need to fix this by giving them a better structure in which to operate and give them a better set of guidelines and regulations. We need to help them become better at the work that they do. I am sure that, if that happens and we do that effectively, the reputation of these practitioners will improve.
Across the industry and within government there is broad agreement that reforms to the insolvency framework are needed to modernise the industry and improve the standards of practitioners. The 2010 Senate economics committee report that I referred to before, the one that led to that original Labor bill, found that the regulators had inadequate powers, that fees were overly inflated and that the registration process for insolvency practitioners needed to be strengthened. More recently the Productivity Commission's report, which was commissioned by my colleagues opposite, called Business set-up, transfer and closure, found some additional issues with Australia's insolvency regime, including flaws in the restructuring processes due to risk aversion and negative perceptions, long time frames for corporate liquidations and disproportionately onerous reporting and appeals processes.

I think we can all agree, no matter what side of the parliament we are on or what part of the industry or the broader financial system we are in, that there is room for improvement. There is room to improve the operation of our framework in the interests of all of the participants in the industry and, through them, the broader Australian community. Good insolvency law reform needs to successfully balance the needs of all the various stakeholders—all of those players I mentioned before. For example, businesses and creditors have the right to expect that any insolvency case will be resolved as quickly and as fairly as possible. They have the right to expect that industry professionals will be acting in their best interests and behaving ethically. At the same time, insolvency practitioners should not be overburdened by unnecessarily onerous regulation. They also need to be protected from creditors who can, at times, in a sensitive part of the system act emotionally and perhaps irrationally in these stressful situations. We believe that the legislative change in this bill more or less strikes that difficult balance quite well.

There are a few major components of this reform in the bill. First of all, it reforms the registration framework for practitioners by strengthening their registration requirements. It compels them to renew their registration every three years and meet training requirements. It removes the distinction between registered and official liquidators. It reduces the period of experience that applicants must possess before they can apply for registration. That is the basket of issues that relate to registration.

There is another basket of issues around disciplinary action. The bill will largely introduce stronger disciplinary powers. It will allow the regulator to ask practitioners to show cause if they have breached their obligations and present why they should remain in the industry. There will be a disciplinary committee. There are a whole range of measures around discipline. The bill increases the penalties for a range of offences relating to misconduct, including failing to maintain adequate and appropriate insurance.

The third set of issues are around the two primary regulators in the area, which are ASIC, as I have already mentioned, and also the Australian Financial Security Authority. ASIC does the corporate side and AFSA covers the personal side. This bill gives them further powers to seek information or records, and it places a greater onus on practitioners to notify the regulators when matters arise. The final bunch of issues are around additional rights for creditors. There are a whole range of issues relating to that basket.

Despite generally supporting the bill and the reforms that are before us, we do want to put on the record for the benefit of the House here tonight four issues that concern us and that we want to identify and monitor. The first one is that the bill defers some fine detail to a
legislative instrument called the 'insolvency practice rules'. The intended insolvency practice rules have not been released yet. They should be released to allow practitioners the opportunity to prepare for the change in regime. That is the first concern.

The second one is that the bill claims a compliance saving of $50 million, which the industry itself has said is completely wrong. It says that the regime will cost them substantially. I am reluctant to say in a largely bipartisan contribution that those opposite have form when it comes to overclaiming savings from red tape reductions, but we will watch that claim of a saving of $50 million with some scepticism.

The third concern is that, as a mentioned before, there are more components coming. We think you can minimise the cost to the industry if you release all the parts of the insolvency reforms close together to give people the opportunity to consider them together and try to harmonise the various phase-ins of the separate tranches of law reforms.

The fourth area of concern is around ASIC funding. This is a very contentious area. Some proposed changes for a user-pays model for ASIC have not been finalised. There have been a couple of years of fairly substantial cuts to ASIC. If we want ASIC to do its job, we have to make sure it is adequately resourced to do that job. Despite these concerns, as I said, we will be supporting the Insolvency Law Reform Bill through the parliament.

I want to take this opportunity to thank in particular the peak industry body, the Australian Restructuring Insolvency and Turnaround Association or ARITA, and particularly the CEO, John Winter, for sharing their thoughts on the bill with my office and also for providing honourable members with a very helpful summary of the various issues. It was a very balanced contribution from John Winter and ARITA that was very much appreciated by this side of the House.

We call on the government to release the insolvency practice rules and all the other proposed changes to the framework. When we see those, we will approach them the same way that we have approached this set of changes, with the interests of industry participants as our core priority and, through them, those of the broader Australian community, which relies so heavily on a good set of financial regulations to make sure that all parts of the financial system work for people and not against them.

Mr COLEMAN (Banks) (20:37): I am delighted to have the opportunity to speak this evening on these important provisions in the Insolvency Law Reform Bill 2015. It is a particularly important area of law, because this is a very good example of where the Commonwealth parliament's role in regulating corporations intersects with the very practical reality of operating business in Australia. Most businesses most of the time do not preoccupy themselves with what is happening in Canberra or what a particular piece of legislation might say, but in situations that either involve insolvency or may involve insolvency the laws that are made in this place are extremely important. So this area, as it pertains to the operation of corporations law in Australia, really is a core business for this parliament.

I think that it is important to take a step back and effectively say, 'What should the purpose of regulation in this area be?' It is particularly important that we think about that. What is the goal of insolvency law? What are we trying to achieve? It seems to me that one of the goals of law in this area should be to minimise the number of occasions on which companies do, in fact, enter into that formal insolvency process, because, once that process is triggered, in the
vast majority of cases the outcome is not a good one for the shareholders of the business, for
the employees of the business and, indeed, for the creditors of the business. So keeping
businesses out of insolvency, where it is possible to do so, should be a goal of federal law.
That is something that is very important in the National Innovation and Science Agenda, as
announced prior to Christmas. I will come back to that in a moment.

Keeping businesses out of insolvency where possible is very important. Another thing that
is very important is that, if you do get into an insolvency situation, our laws should be
structured in such a way as to maximise the chance of creditors getting paid, so that as many
creditors as possible get paid. They have the legal right to be paid. They are not always paid,
of course, but our laws should do everything that they sensibly can to ensure that creditors get
paid. Our laws should also help to ensure that the assets of the business which has entered into
insolvency live on in some form. Whilst a particular business might not be able to survive, it
is often the case—indeed, it should generally be the case—that that business has assets which
can continue on in some other structure. Those assets should continue, because investment
has been made into them and because those assets often employ a lot of people. It is in
everyone's interest for the assets of that insolvent business to live on in some form—through a
new owner or whatever the case may be. These should be goals—and, indeed, they are
goals—of the government's legislation.

One of the problems in this area—as has been identified in previous government reports
and in the practical experience of many Australian business people—is that sometimes the
insolvency process itself does not function effectively. Not all insolvency practitioners are
competent. Some of them charge too much, and some of them, frankly, do not do a very good
job. Sometimes when an insolvency process is triggered, too much of the time, resources and
assets of the insolvent company get wrapped up with the administrator or the insolvency
practitioner themselves, in terms of their fees and so on. Too often the proportion of the assets
of the company which should have been returned to creditors or which should have been able
to be restructured in some way is absorbed by the actual insolvency practitioner themselves.
That is not good for anyone. So that is the background to this area of law.

Before Christmas, as I said, the government, in the National Innovation and Science
Agenda, announced a couple of very important changes pertaining to this space. One of the
very important areas here is this area of insolvency and directors duties. I see that the
Assistant Minister for Innovation is here in chamber, and he well understands the importance
of this area and, indeed, has campaigned for reform in it. What happens at the moment is that,
with the way the law is structured, if a director is found to have allowed a company to trade
beyond the point at which it was insolvent then that director can be, and often is, held
personally liable for the debts that were incurred post that point at which the company was no
longer solvent. That makes sense. We obviously do not want a situation where directors are
carrying on with a business that is not going to be able to pay its debts. That is completely
inappropriate; it is effectively making false contracts with people who continue to provide
services to those parties. It is obviously very, very wrong.

The problem is, though, that it is often not at all clear whether a business is, in fact,
insolvent. There is a legal test, which can be applied, about being able to pay all debts when
they become due, but it is a grey area. It is a particularly difficult area for smaller
companies—start-ups and the technology sector, where I have some experience, and a range
of other small businesses as well. That is because it is not as though, as a management team, you have perfect visibility of all the things that are likely to happen over the next three to six months. Often one reasonable director might form a different view to another reasonable director about whether a particular contract is likely to be signed or whether a particular opportunity is going to crystallise. If your view is that that opportunity will crystallise and that that contract will be signed, then the company is not insolvent. Sometimes, if your view is that that future event will not occur, that would mean that the company is insolvent. So it is not a black and white matter of simply being able to determine very clearly whether or not a business is insolvent at a particular point in time, and that is particularly the case for small companies. Larger companies, of course, go through these insolvency processes much more rarely. But a very large number of small businesses at some point in their lifetime find themselves at a point where things are not going that well, where a promised event does not happen, where the big client walks away or where the product that they have been working on with such great expectations turns out not to be as good as they had hoped.

These things happen all the time, and that is often when companies get into this grey area of potentially being concerned about insolvent trading. If you are a director in that situation then of course the natural inclination is to limit your personal liability and basically protect yourself from the risk of personal liability. What often happens is that directors will say, 'Look, we should put this company into administration,' and sometimes that occurs prematurely. Sometimes the consequence of that is that a business which was in fact a very promising one—it had immense potential and should have been able to trade through the difficulties that it was facing—was not able to do so because it got shut down. This is not good for creditors, it is not good for employees and it is not good for our economy, because often these smaller businesses are the ones that are forward leaning in adopting new technologies and take us to that next level of growth. What we say in the National Innovation and Science Agenda is that, if directors in that situation appoint a turnaround specialist—an appropriately accredited specialist—to come in, look at the situation and determine the next step, those directors will not be personally liable under the insolvency provisions. That is a good thing, because it means that the appropriate professional will come in, look at the situation and determine what can be done, and the directors themselves will not be in that situation of prematurely putting companies into administration, which so often occurs. This is a very good outcome of the National Innovation and Science Agenda.

The other really good aspect of the agenda, so ably led by the minister and the assistant minister, is the reform to the so-called ipso facto provisions. Basically, the ipso facto provisions are provisions in contracts which say that, if you go into some sort of insolvency event, all bets are off, contracts are over—end of story. It often operates a bit like a poison pill for companies where that event of insolvency or restructuring just shuts down the whole operation. It has a very detrimental effect on the ability of creditors to get paid and on the ability of any of the assets to effectively be salvaged from the situation. What we say in the innovation agenda is that those ipso facto 'all bets are off' clauses will not be sanctioned under Australian law, and this will mean that there will be fewer of these artificial situations where companies are tipped over the edge when they otherwise would not be. So these are important provisions, and they were announced in the innovation statement just before Christmas.
The bill we are discussing today also addresses some of the concerns I discussed earlier about how sometimes too many of the assets of an insolvent business are absorbed in the process of the insolvency as opposed to the substance of dealing with the issues of paying creditors and so on. There are three main elements that the Assistant Treasurer has focused on in her efforts here. The first is to give ASIC greater oversight over the insolvency profession. There is no denying that there is a significant number of complaints about practitioners in the insolvency field, and successive governments and successive inquiries have found that this is an area in need of some reform. This involves a tighter disciplinary framework—a capacity for ASIC to ensure that people have the appropriate professional skills and, very importantly, power for ASIC to suspend or deregister liquidators who are doing the wrong thing and not demonstrating that they are actually acting in the best interests of the creditors. These are very important changes here. It is very important that insolvency practitioners are not a law unto themselves, and so these changes will help to ensure that that is the case.

The other thing that is important in this legislation is the changes in relation to the power of creditors. Creditors in an insolvency situation of course have a lot on the line. They might be owed thousands or indeed millions of dollars. At the moment there are a range of problems with the way that creditors interact with insolvency practitioners; but it seems to me that the most problematic aspect is that, once an insolvency practitioner of the various kinds is in place, it is very, very difficult for creditors to remove that insolvency practitioner. Generally, creditors are required to go to court to make that happen, and of course there is cost involved in that, a whole time issue and a complexity. And so, as a practical matter, what do creditors do? They say: 'It is too much hassle. We won't do it.' As a consequence, this gives the insolvency practitioner perhaps an unreasonable degree of leverage over creditors and an unreasonable degree of power in the whole situation. This legislation says: if creditors in number and in value in terms of the debts that they are owed decide to replace an administrator—who, after all, is there to represent their interests—they can do so. So, without going to court and all of the cost and formality and time that that involves, a majority of creditors can remove an insolvency professional who they do not feel is representing their interests as effectively as they should. That is a very common sense change—as indeed the entire bill is—and I am pleased to see that it is being supported by the opposition.

The other area which the legislation broadly looks at is getting rid of some of the artificial distinctions between insolvency professionals who act in bankruptcy, personal type proceedings and corporate proceedings and to get rid of the somewhat artificial definitions there and in most cases give insolvency practitioners the capacity to operate in a range of different situations as opposed to them being required to have what is known as an 'official liquidator' class of registration, which, again, involves some complexity. This has not added a great deal of value to Australian insolvency practice but it has created complexity for professionals, cost and so on. Consistent with the goals of this bill, we seek to remove complexity where it does not add anything and to engender simplicity. Through both the National Innovation and Science Agenda and the bill that we are considering today, this government is very much about reforming insolvency processes to make them better for creditors and for businesses. I commend the bill to the House.

Ms BUTLER (Griffith) (20:52): It is a pleasure to follow my colleague, the member for Banks. The member for Banks and I co-chair a bipartisan parliamentary friends group on
enterprise and innovation. It is certainly wonderful to have such a bipartisan focus on those issues, and one of the very important questions that comes up in our discussions frequently is: what are the right insolvency settings for Australian law?

It is fair to say that nothing stirs the blood like a discussion about insolvency law, in my view. You would have to look far to find something as exciting and as interesting as insolvency law. The reason I say that, of course, is that it is inherently political. The question of how governments, regulators, employees, small businesses—who are suppliers to firms—small investors, banks and other creditors should be treated, when a business cannot pay its debts as they fall due and payable, is obviously one that affects a broad range of interests and, for that matter, a broad range of rights,. So the way insolvency practitioners conduct themselves—the way liquidators and administrators conduct themselves—when it comes to handling both creditors' rights and the interests of the business that they may be trying to salvage, in the case of an administrator, is really important. It is a really important question for consideration by this parliament. That being the case, it is sensible to revisit and improve the standards to which those practitioners adhere.

That is the purpose of this bill: to reform, to modernise and to further professionalise insolvency practice. This bill cannot be divorced from its broader context, which is Australian insolvency laws and the ongoing debate about their consequences, both for individuals, for creditors—small creditors particularly—and for the broader economy. As I said, insolvency laws are inherently political and that also makes them inherently controversial. That is because at the end of the day we are talking about livelihoods—we are talking about the livelihoods of employees; we are talking about the livelihoods of their families; and we are talking about the livelihoods of small business suppliers. I am talking about the contract cleaners who have contracted to a firm, which may be their major client. What happens when the firm goes broke and cannot pay its debts? Think of those people, for example, whose lives have been affected by the great corporate failures of Australian history—the Ansetts, the HHs—but also think about the people who have suffered in garden variety insolvencies and liquidations, like the employees and, for that matter, taxpayers who suffer when a firm goes broke, winds up in insolvency and the next day there is a phoenix company rising from the ashes with the same individuals involved but with a different corporate entity.

These are important political questions that ought to be the subject of consideration by this parliament. The way insolvencies are handled is an issue that affects people's lives, but it is not just an issue that affects people's lives—though that is very important—it is an issue that affects, as I said, broader economic issues. For example, insolvency law settings, or the public perception of them, arguably affect directors' behaviour. One argument often made is that the fear of insolvent trading laws actually makes directors more timid than they should be. It is an argument that fear gives rise to a risk averse culture, and it is something that has a lot of currency at the moment, as we talk about how to make directors, firms—particularly new firms—more entrepreneurial and more risk ready or to have a greater risk appetite. How do we get our firms in Australia to have that risk appetite and move away from a risk aversion that in some people's view a hallmark of Australian culture.

It is possible, in my submission and unfortunately quite likely, that the risks to directors have been exaggerated or that they loom larger in the imagination than in real life and in the letter of the law. I say that, having regard to the concerns some directors have. Why wouldn't
they have them? They are told to be worried about these risks. They are told that they need to think about how to avoid the risk of, for example, a contravention of the insolvent trading laws in the Corporations Act.

It is not just my view that those risks have been exaggerated to directors. It is also a point the Productivity Commission made in its Business set-up transfer and closure inquiry report, which stated:

… the spectre of action looms larger than the actual (likely) consequence. The rate of successful enforcement of insolvent trading actions is low. There were only 103 insolvent trading cases between the law’s introduction in 1961 and 2004. While the court ordered that compensation be paid in three quarters of those cases, more serious sanctions were extremely rare. Only 15 per cent of cases involved criminal proceedings, and only two cases involved an order banning directors from managing companies.

Since 2004, ASIC reports that they have commenced action for insolvent trading for circumstances involving five companies only between 2005 and 2011.

- Two cases involved civil action, both resulting in the winding up of a company.
- The remaining three cases involved criminal action. In one instance, the action was abandoned. In another, a director was fined and required to perform community service, but was subsequently imprisoned for failing to complete the community service.

The point of reciting that quote is to say to the directors of this country, and also to this parliament, that we not only have to deal with the question of what might be the legal impediments to a less risk averse culture; we have to talk about what might be the perceived impediments to a less risk averse culture.

When you think about the very low rate of prosecutions, the very low rate of actions, under the insolvent trading provisions of the Corporations Act, you will see that it is at least possible that the risks to directors have been exaggerated and overstated. That is fine if you are, for example, a professional adviser trying to sell training to directors about how to avoid their risks—you want them to be cognisant of their risks. It is, of course, important that, as a director, you are cognisant of your risks; you have legal obligations to be cognisant of those risks. But as a parliament we have to find a way to strike a balance between appropriate levels of cognisance of risk and appropriate levels of risk appetite.

It is only by being bold and entrepreneurial that firms will be able to grow and scale in the weight that we want them to—and I think everyone in this parliament wants to see Australian firms thrive, be bold, brave and succeed. It is really important that we remember in these situations that it is not just a question of what the black letter law says; it is not just the question of what the actual risks for directors are. That is important, and we certainly do have to make sure that the legal settings are right—of course, we do—but we also need to make sure that there is a realistic understanding of the risks posed to directors and to firms by the laws. And in doing those things we have to provide sufficient comfort to directors that they can be bold, that they can be very brave.

I know that the coalition wants to provide some very broad options for directors to avoid liability, and I think that is a matter that will be debated down the track. But in thinking about the risk aversion issues, in thinking about the protection that ought to be offered to directors, there are people that we should not forget, and those are the people who I mentioned at the outset—the employees, the small business suppliers, the small creditors, the mum and dad
investors who suffer in insolvencies. There will always be an important role for drawing the right balance.

Debate interrupted.

BUSINESS

Federation Chamber

The DEPUTY SPEAKER (Hon. BC Scott) (21:00): I advise the House that I have fixed Wednesday, 10 February, at 10.45 am, as the time for the next meeting of the Federation Chamber, unless an alternative day or hour is fixed. This is to allow people to attend the Closing the Gap speech.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. BC Scott) (21:00): It being 9 pm, I propose the question:

That the House do now adjourn.

Your Child. Our Future

Ms O'NEIL (Hotham) (21:00): As a Labor member of parliament, I believe that it is my mission to make sure that a child who grows up in my electorate—in Springvale or in Clayton South—or one of the kids I met when I was living up in North East Arnhem Land has just as good a chance as a young person who grows up in the Prime Minister's electorate of Wentworth of becoming a High Court judge, a company CEO or a member of this chamber. When we look at the recent decades of progress that we have made in Australia on this question, there is something to really celebrate here. My grandmother was one of 13 children and she was born on a dairy farm in Queensland. She was educated to year 4 and nothing more than that. Her husband was an incredibly intelligent man but he served out his time working in menial jobs and never got to use that fine mind of his. There was a good reason for that—and there were people like that all over Australia at that time in our history. It was because Australia at the time was not a very wealthy country and we had an education system that only served people who grew up in wealthy families.

This has changed. Today the vast majority of young people in this country get to finish year 12, and four young people in 10 get to go to university. That is something all of us should be incredibly proud of. But there are still some incredible challenges that face all of us in this chamber who are trying to get a fair go for Australian kids. Today in Australia a four-year-old who grows up in a disadvantaged community is twice as likely as a child who grows up in a really wealthy family to be developmentally delayed. As kids work through the school system we see the gaps grow over time, not diminish. We know that a child who grows up in a really wealthy family is about three times as likely as a child who grows up in a really disadvantaged family to get to go to university. There are specific pockets of concern. An Indigenous man in this country is more likely to end up with a prison record than a university degree.

All of us in this chamber should be absolutely outraged when we hear these facts and these statistics, because they indicate that we have a long way to go to make sure young people in this country get a fair go. Equity is not the only issue facing our education system. One of the reasons Australia is one of the wealthiest countries in the world today is that we have a really
highly skilled population compared to a lot of other countries. But this too is under challenge. When we look at the performance of Australia's school system, we hear incredible stories from people who talk about this issue in this chamber. But when we look at the system as a whole the reality is that it is a system in relative decline. Australia, which once had one of the best education systems in the world, is now starting to middle when we look at our comparator countries. Interestingly, in many instances the countries that are streaking ahead of us are Asian countries. We have a lot of critical issues facing our education system.

I want to talk today about how proud I am as a Labor member of parliament to belong to a political party that is actually confronting and addressing these difficult challenges. Some weeks ago our shadow education spokesperson and our opposition leader announced the 'Your Child. Our Future' policy. In the time I have been watching politics this is the first time a serious attempt has been made to take some of the schools that are serving disadvantaged communities in my electorate and bring them up to the standard that we see in some of the wealthier parts of the country.

I cannot cover all aspects of the policy today and I really want to encourage those at home to seek out some of the detail of this on the internet. There is so much in the 'Your Child. Our Future' policy. One of the core aspects of this is needs based funding, something Labor has been talking about for quite some years now. What that means is that the resources that every child needs to flourish are going to go to those kids. So the kids who are most in need are going to get the most help—and that is a very important principle that we need to abide by.

But that is not all this policy is about. It includes things such as ensuring that every child in this country gets one-on-one support for literacy and numeracy to make sure they have the chance to build those foundation skills. It is special support for kids who are our being left behind in our education system such as young people with a disability. It is extra resources to support school leaders to bring their communities with them on this journey to becoming the best school system in the world. I believe there is no more critical issue facing this parliament today than what is going on in our schools and education system. I am incredibly proud of this policy and I hope that those at home take the time to have a look at the detail of what we are proposing.

Forde Electorate: Roads

Mr VAN MANEN (Forde) (21:05): I rise to reflect on the inaction of the Queensland government. As children return to school and parents return to work, commuters in south-east Queensland are reminded of the Queensland Labor government's failure to act as they sit in the daily gridlock on the M1 motorway, which is part of the Pacific Highway network. Caused by local commuter traffic, the M1 motorway is nearing capacity during peak hours. Often from as far south as Beenleigh, every morning, commuters heading into Brisbane face the stop-and-go congestion of the failed planning and inaction of the Queensland Labor government. The problem re-occurs in the afternoon. As commuters head home from work or the school pick-up, once again they are faced with a gridlocked M1 at the Gateway Motorway merge. A journey that should only takes 10 minutes can take up to an hour and sometimes even longer. Upgrading the M1 motorway between the Logan and Gateway motorways is a $1 billion project that requires a business case. My colleague the member for McPherson, Karen Andrews, also battles congestion issues on her patch of the Pacific Highway. The business case will also cover upgrade plans for her electorate. The Queensland government
has indicated that this business case will cost $20 million to complete. I would like to commend my colleague the Minister for Infrastructure and Regional Development, Warren Truss, for providing an in principle commitment to fund 50 per cent of the costs to see this business case get underway. It is a funding commitment that is consistent with previous Australian funding commitments on the M1.

Unfortunately, the Queensland Labor government are yet to respond to the offer—an offer that was put forward months ago. While residents from the Gold Coast, Logan and Brisbane sit in traffic Queensland Labor members are sitting on their hands. I am calling on the Queensland government to get off their hands, write a cheque and complete this business case. The longer Queensland Labor take to complete this the longer commuters in my electorate of Forde will be waiting in M1 gridlock.

The residents and businesses of Forde need the M1 upgraded desperately to help our region grow and prosper. Commuters from Logan and the Gold Coast need this upgrade, the South-East Queensland business community needs this upgrade and the incompetent Queensland Labor government are doing nothing about it. By failing to act Queensland Labor are disrespecting commuters of South-East Queensland and are sentencing them to years of gridlock pain.

By playing politics with this important issue Queensland Labor are potentially robbing our region of millions of dollars in vital infrastructure upgrades. Queensland Labor need to stop pointing the finger at the federal government and look at themselves. This local traffic is caused by bad planning and it is now their responsibility to fix this. The Queensland government need to complete this business case because we need the M1 upgraded now, not later. We need action now, not tall stories and excuses. Logan and Gold Coast commuters do not want to spend hours out of their day stuck in traffic when they could be home with their families or building their businesses to create jobs and wealth for our local communities. It is time to get the M1 upgraded.

**Ballarat Electorate: Roads**

Ms KING (Ballarat) (21:09): I too rise to speak on a matter of infrastructure—road funding. Specifically, it is 101 days since I wrote to Minister Truss seeking urgent restoration of the funding that his government has taken away from a road funding project in my electorate—Halletts Way—and rolled into the now defunct East West Link. The Halletts Way project is an element of Victoria's Western Highway upgrade, specifically it is part of the final works that were committed as part of the Anthony's Cutting bypass. Work was expected to begin over a year ago.

The project, while it is important, is not one that you would expect to be particularly unusual. It involves the addition of freeway on and off ramps at the side of a two-lane bridge crossing the Western Freeway between Bacchus March and Darley in my electorate. It was devised as part of an effort to increase safety at a busy road between residential areas, and at the same time to improve traffic flow through local bottlenecks that had been exacerbated following the Anthony's Cutting project. What makes this project utterly extraordinary is what has happened to its funding.

In 2012 during the completion of the Anthony's Cutting project, as a result of community requests, lobbying from the local council and changed traffic conditions in Bacchus Marsh, I
lobbied the then minister for infrastructure for the remaining funding from Anthony's Cutting to be allocated to the Halletts Way upgrade. Funding was duly earmarked for the project. Funding for the project was announced and, despite some of the budgetary pressures we faced in government, the funding was retained even after the project did not commence.

During 2014 planning should have been completed. The local council was receiving assurances from the state Liberal government that everything was proceeding as planned and that the Halletts Way funding would proceed and the federal funding was secure. I was receiving those assurances from the council. Letters, however, from the Deputy Prime Minister's office reveal an altogether different story.

By the beginning of 2014 negotiations were evidently underway for that funding to be taken away. Warren Truss referred to it as a 'relocation'. The minister himself confirmed in his letter of 13 June 2013 to the Victorian minister for transport that the Victorian Liberal state government actually asked for the money to be reallocated. I am not the longest-serving member of this place, but I have been fortunate enough to be here for 15 years and it is very unusual for a state government to seek funding for a project that it is still advocating for to be reallocated to another project and then pretend that somehow or other the money can be spent twice. But that is what the state Liberals did.

Where did the funding go? The minister helpfully outlines in his letter to me, and subsequent Senate estimates show, that the funding was rolled into the Liberals' East West Link project. Of course, we now know from the Australian National Audit Office that, against the advice of its own department, an advance payment was made of some $1.5 billion to the Victorian Liberal government for this project. Simply what had happened was that some of the money—that $1.5 billion—was actually taken away at the request of the Victorian Liberals from this road project in my electorate.

Now we want the money back. Despite the minister's rhetoric around the East West Link—'You are never going to get the money'—Victoria has some hope of being able to reallocate this money within Victoria. We want the money back in my community for Halletts Way. I wrote to the minister back in October last year—it is now 101 days—seeking a commitment to have this funding committed back to the project. It should have started by now. It was committed under a previous Labor government. We announced the funding. We were working with the local council to ensure that the Victorian state government planning work was done by VicRoads. All of that was underway. Assurances were given that that would be the case, yet here we had the Liberal state government asking for the government to take that money away and reallocate it.

We now have a situation where the money is there. I want Minister Truss as a matter of urgency and respect to the community of Bacchus Marsh and Darley to restore this money for this project. This community has had millions of dollars cut out of it by this government and it deserves to have that funding. It has particularly difficult circumstances with its road transport at the moment. I call on the minister to reply to my letter and have the decency to return this funding to the Bacchus Marsh and Darley communities.
Barton Electorate: Chinese New Year

Mr VARVARIS (Barton) (21:14): Firstly, I want to wish the Australian Chinese Community a very Happy New Year for 2016, the Year of the Monkey. May the Year of the Monkey bring with it health, happiness and prosperity for all. In my electorate of Barton the Australian Chinese community is a prominent population who contribute to our way of life, enriching our cultural values in every aspect.

My electorate is home to many first and second generation Chinese migrants, who have maintained their cultural roots here in Australia yet have also embraced the Australian way of life in every possible way. It has been my great honour to witness, firsthand, the pride and joy the Australian Chinese community takes in adding to our community of Barton but also in celebrating such important momentous occasions like this.

As we farewell the Year of the Sheep, it is important to reflect on the year that has been. 2015 was a year with many great achievements and successes, among which was the signing of the China-Australia Free Trade Agreement. This agreement has significantly accelerated the economic exchange and cooperation between China and Australia, helping both of our nations to build stronger economies, bringing a more competitive rate for consumers, which will benefit both households and businesses as well as create more opportunities for growth and jobs.

The China-Australia Free Trade Agreement sets a historic precedent for the next phase of Australia's economic relationship with China. The agreement provides significant opportunities for Australia in China, which is Australia's largest export market for both goods and services, accounting for nearly a third of total exports, and a growing source of foreign investment. The agreement will also continue to significantly improve market access for a range of service sector suppliers with new prospects for Australian banks, insurers, law firms, professional service suppliers and education service exporters. And there are many outstanding service providers within my electorate of Barton that can capitalise on these new opportunities.

However, the bond between China and Australia is not just built on an economic level. Cultural interchanges hold equal importance. Citizens from both Australia and China are beginning to gain a greater understanding of each other's culture and history, their way of living and their life values. In March 2015 I held the Barton-Shunde Festival, which helped showcase some of the wonderful cultures and traditions of the people of Shunde in China. I look forward to continuing to work closely with the Australian Chinese community, in my electorate of Barton, in building cultural, economic and personal ties in the Year of the Monkey.

I would also like to take this opportunity to welcome into my electorate of Barton the new residents and small businesses located in Hurstville as well as the surrounding areas, such as Clempton Park and Marrickville. With the joining of these areas into the seat of Barton, my electorate will now house one of the largest Chinese communities in Australia. Hurstville's growth in the city centre alone is set to soar by over 100 per cent by 2036, an enormous growth in population. These forward estimates make Hurstville the fastest growing suburb in my electorate, as its expansion in infrastructure and population has never been greater.
I am delighted for Hurstville and these surrounding areas to join the Barton electorate, as there has never been a more exciting time for an MP to help a community evolve and I look forward to making real progress for the people of Barton. I am also pleased that Hurstville will bring its strong multicultural presence to Barton. It is a great addition to a seat that already has such a large component and is something I am proud to represent and defend.

Multiculturalism to me is not just a slogan or a passing fashion. I see it as a whole component of life in Australia, which has been pivotal in the pursuit of a variety of goals over the years, including the principles of social justice, the recognition of identities and appreciation of diversity. Multicultural diversity on a democratic platform guarantees our shared values into the future. With multiculturalism comes many cultural festivities and events. I had the pleasure of experiencing such an event in the suburb of Hurstville recently.

Hurstville City Council kicked off its Lunar New Year celebrations with a spectacular street festival along Forest Road. The festival, this year, attracted more than 40,000 people to this wonderful community event, an event that celebrated the rich Chinese culture to its fullest extent. The day was a resounding success, with people of all ages coming together to enjoy the live entertainment, vibrant street parade, free kids' activities and food and market stalls.

My New Year's pledge to my electorate is to deliver for the people of Barton through genuine engagement and advocacy for our local community. From my family to yours, Happy Chinese New Year. May it bring forth health, happiness and prosperity. Kung Hei Fat Choy! Shun Nian Kwi Ler.

Second Sydney Airport

Mr HUSIC (Chifley) (21:19): I rise tonight to maintain my objection to the absolute waste of scarce public funds being devoted to the construction of Badgerys Creek airport. I say it is a waste for a number of reasons. In an environment where we are debating budget repair, right in this place, and considering a range of options that will impact on ordinary families, we are dedicating billions to a new facility at a time we could be making better use of the existing Sydney Airport. Let's face it: tourists want to land close to the CBD. Most international airports are located next to a CBD. Yet no government minister has been prepared to increase the capacity of the airport right next to Sydney's CBD, lengthening it's life and avoid the spending of scarce dollars now simply by increasing flight movements by an five extra planes an hour. Why hasn't this been considered? One of the reasons is an absolute determination to build Badgerys, no matter what.

I also argue the spend on Badgerys is an absolute scandalous waste of money. If I were to ask Western Sydney residents, 'If you had the chance to spend billions on infrastructure and services to make your life easier, how would you spend it?' I do not think they would be arguing a new airport would reduce road congestion, improve public transport options, provide better resourcing of schools or even improve hospitals. Yet while we argue for those improvements we are denied the funds for exactly that purpose. But we are insulted by being forced to sit on the sidelines, seeing billions siphoned away for this airport. Worse still, Western Sydney is being kept in the dark about the impact of this facility.

The government has deliberately limited the community consultation around this, underfunded the activity, scarcely notified the public of the consultation measures for it and then set consultation meetings at a time when few people would be in a position to attend. For
example, for one of the biggest council areas affected by this airport—Blacktown—only one consultation was proposed. And it was held on a weekday, commencing during work hours.

When I wrote to the deputy PM about this, with my colleague the member for Greenway, he or his office never contacted me or responded directly to me. They contacted my colleague and even involved the shadow minister for transport but did not manage the courtesy of consulting me as one of the stakeholders. And what was the outcome? Another meeting, right before Christmas, during the week and, again, during working hours. How can it be considered that this EIS process has conformed with the act when such dismal community consultation has been undertaken?

Some of the environmental and social impacts of this are serious, yet they have been treated dismissively by government officials overseeing the EIS process. For example, yesterday during Senate estimates I was staggered to see officials downplaying residents' concerns about the flight path impacts in the lower Blue Mountains, even though a merge point for the flight paths centres over this area and within close distance of World Heritage listed areas. Government ministers and officials claim this noise will be akin to a car travelling outside your home. But unlike Sydney Airport, which has a curfew protecting residents, Badgerys Creek airport will operate 24 hours a day, seven days a week. We face the prospect of two major airports operating in the Sydney Basin, but one group is protected with a curfew while the west is left without one. So when someone tells us the noise impacts will be like a car driving past a home in the middle of the day, I would say there is a big difference between that and a car travelling in the quiet that would be expected in the middle of the night. We are assured this will be reviewed, but my guess is that this will be reviewed on an as-needs basis—that is, determined by public reaction. Good public policy with an eye of the best interests of the public should not be determined in this way.

Unfortunately, this has not been a big issue in our major media outlets because they have taken the view they support the airport. But let me contrast what we are being asked to cop with a scenario that the east of the city might be forced to contend with. Imagine if the east of Sydney were confronted with this: road based tankers laden with jet fuel being driven 40 kilometres from the west to the east to meet the fuel needs of Sydney Airport. Do you think that, for a moment, the east would tolerate that? I doubt it. Yet this is exactly what the west will cop, because at this stage it appears that no dedicated fuel line will be built to serve Badgerys and, as many out west understand, much of the fuel will be surface transported by trucks for an extended period of time. Has this been a major public issue? Not on your life.

Western Sydney deserves better, and I am happy to stand against the tide of prevailing opinion on this because I argue that opinion has not been properly informed. When people realise the proper impact of this facility, I imagine views will turn sharply. Until then, I will continue to highlight the way the west has been ripped off through this scandalous waste of money.

**Economy**

**WYATT ROY** (Longman—Assistant Minister for Innovation) (21:24): As we head that little bit further into 2016 I am deeply optimistic about the journey we are heading down as we drive the essential change that we need to see in the Australian economy as we transition our economy from one based on resources and on our traditional strengths to one that is far broader, embracing innovation and entrepreneurship in everything that we do. At the end of
last year there was obviously an enormous amount of focus on innovation in our country. While that was incredibly exciting, the challenge for us in this election year and beyond is to ensure that innovation does not become the flavour of the month, something that is trendy but falls out of fashion in the months and years ahead.

While the incentive for politicians in this country is to find a point of difference—and certainly in an election campaign those pressures compile, and there is always a strong political incentive for different sides of this chamber to disagree to mark out a point of difference—I am deeply optimistic about our ability to rise to the very significant challenge for politicians on both sides of the political divide to come together and ensure that innovation and the essential discussion that our country needs to have about how we transition our economy in the decades ahead is something that we can see as a truly bipartisan national initiative. I think we have an enormous opportunity, a moment in history, for all of us in this place to agree—or certainly the two major parties in this place to agree—that there is a clear national imperative for us to embrace innovation in everything that we do, a clear recognition of the challenges that we face and of the challenges that we need to overcome when it comes to changing our culture and embracing a more entrepreneurial spirit in our collective psyche.

We need to attract more capital to be invested into Australia in innovation. We need greater collaboration and cooperation around the commercialisation of our incredible research in this country and we need to translate that and ensure that this incredible research is turned into businesses, products, ideas and services that change the world for the better. We need to grow our talent pool in this country and ensure that the next generation of Australians have the skill sets that they need in science and technology, in engineering, in mathematics and in digital technology—those entrepreneurial skill sets that they need to take hold of the opportunities of a changing global economy. In many cases we know that people my age and younger will be moving into jobs that do not yet exist. Clearly those skill sets are absolutely vital to them seizing the exciting opportunities of the future.

It is a very strange conversation for us to have, but how can government be an exemplar of innovation? How can we provide that hope to the private sector economy that we ‘get it’ here in Canberra, hopefully, and that government can be an exemplar of innovation? I think we have an incredible opportunity for both sides of this chamber to agree that these are the challenges that we have to overcome when we are creating a uniquely Australian innovation ecosystem. In this year, an election year, I hope we will see some competitive tension—which is very different to overt partisanship—a contest of ideas around how we can overcome those challenges.

But surely, after the political environment that we have all lived in for the last six, seven or eight years, it is an opportunity to come together in a vital economic space and say clearly that we understand that this is absolutely necessary if we are going to hand over to the next generation of Australians a country that has more opportunity not less. It is clearly a bipartisan recognition that these are the challenges that we have to overcome to achieve that. It is a friendly, perhaps—in many cases, competitive—tension, a contest of ideas, about how we can be best placed to address those challenges and ensure that our country becomes a global hub of innovation and entrepreneurship, because when our politicians come together as much as possible and in the most significant way possible to drive that economic change I am deeply optimistic about the future of this country. I feel proud of the fact that we can come
into public life, we can contribute to the public debate and, in this space, we can hand over to the next generation of Australians a country with more opportunity not less.

The DEPUTY SPEAKER (Hon. BC Scott): It being almost 9.30 pm, the debate is interrupted.

House adjourned at 21:29

NOTICES

Mr Dutton: to present a Bill for an Act to make consequential amendments relating to the enactment of the Migration Amendment (Character and General Visa Cancellation) Act 2014, and for related purposes.

Ms Ley: to present a Bill for an Act to amend the Narcotic Drugs Act 1967, and for related purposes.

Mr Robb: to present a Bill for an Act to amend legislation relating to export and trade, and for other purposes.

Mr Hawke: to present a Bill for an Act to amend legislation relating to Parliamentary entitlements, and for related purposes.

Mr Champion: to move:
That this House acknowledges that penalty rates are relied upon by Australian workers and their families to cover everyday costs of living, no matter if they are full time, part time or casual, including workers such as:
(1) nurses;
(2) police, firefighters and ambulance officers;
(3) retail and hospitality workers;
(4) manufacturing industry employees;
(5) services sector employees; and
(6) tourism and transport industry employees.

Ms Price: to move:
That this House places on record that:
(1) the Government is committed to improving education in regional, rural and remote Australia;
(2) this commitment stretches across all levels of education—primary, secondary and tertiary; and
(3) Members in regional electoral divisions have held higher education forums throughout regional Australia, to identify how to bridge the gap between metropolitan and regional higher education.

Mr Katter: to present a Bill for an Act to amend the Public Governance, Performance and Accountability Act 2013, and for related purposes.
QUESTIONS IN WRITING

Department of Prime Minister and Cabinet: Business Advisory Council
(Question No 0718)

Mr Bowen asked the Prime Minister in writing, on 11 February 2015:
In respect of the Prime Minister's Business Advisory Council, established on 4 December 2013:
(a) on what dates has it met,
(b) in which cities has it met,
(c) which members were in attendance at each meeting,
(d) at which of these meetings, if any, (i) was he in attendance (in person), and (ii) were other Ministers in attendance,
(e) what sum has been spent on establishing and running the Council, and
(f) how many formal reports has it produced.

Mr Turnbull: As the Honourable Member is aware, I was sworn in as Prime Minister on 15 September 2015. I have since decided to discontinue the Business Advisory Council.

As the honourable member's question relates to matters before that date, I am advised by the Department of the Prime Minister and Cabinet that The answer to the honourable member's question is as follows:

(a) (b) The Council met nine times, on the following dates:
18 December 2013, Melbourne
26 February 2014, Canberra
31 March 2014, Sydney
27 May 2014, Canberra
29 September 2014, Canberra
6 November 2014, Canberra
12 March 2015, Melbourne
4 June 2015, Canberra
29 July 2015, Sydney.

(c) Each meeting was attended by between eight and 13 of the 14 Council members.

(d) The former Prime Minister attended six meetings. Other ministers attended from time to time, including the Treasurer, the Minister for Industry, the Minister for Small Business, the Assistant Minister for Infrastructure and Regional Development and Parliamentary Secretaries to the Prime Minister and Treasurer.

(e) As at 9 December 2015, total costs of $73,080.67 had been incurred in supporting the Council. This includes reimbursements for members’ travel and accommodation and catering for meetings. Council members were not paid salaries or sitting fees.

(f) The Council did not produce any formal reports.

Department of Prime Minister and Cabinet: Ministerial Hospitality
(Question Nos 1448 and 1449)

Mr Conroy asked the former Prime Minister in writing, on 17 August 2015:

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QUESTIONS IN WRITING
In respect of catering and hospitality by the Minister in 2014-15:
(a) what total sum was spent,
(b) for what functions was the catering and hospitality,
(c) on what date(s) did each function occur, and at what location(s), and
(d) for each function, what sum was spent on (i) meals, (ii) drinks, (iii) hospitality staff, and (iv) other costs.

Mr Turnbull: As the Honourable Member is aware, I was sworn in as Prime Minister on 15 September 2015. As the honourable member's question relates to matters before that date, I am advised by the Department of the Prime Minister and Cabinet that:

Detailed information related to official hospitality for the period 1 July 2014 to 30 June 2015 has been provided in response to Senate Finance and Public Administration Legislation Committee, Supplementary Budget Estimates 20-24 October 2014 Question on Notice PM141, Additional Estimates 23-27 February 2015 Question on Notice PM166, Supplementary Budget Estimates 19-23 October 2015 Question on Notice PM268 and House of Representatives Question No.1430.

Department of Prime Minister and Cabinet: Cost of Replenishing Minister's Drink Cabinet 2014-15
(Question No 1850)

Mr Conroy asked the Prime Minister in writing, on 10 November 2015:

What sum was spent on replenishing the Minister's drinks cabinet in 2014-15, on what date were such purchases made, and what was purchased.

Mr Turnbull: I am advised by the Department of the Prime Minister and Cabinet that the answer to the honourable member's question is as follows:

Food and beverages are purchased for use in the Official Establishments for the Prime Minister's official duties or under the sustenance entitlement. They are purchased on a regular basis (in bulk wherever possible as this is most effective use of resources) and not necessarily with any specific functions in mind. It is not possible to separate out which items have been placed in the Prime Minister's drinks' cabinet.

Department of Prime Minister and Cabinet: Business Advisory Council
(Question No 2070)

Mr Conroy asked the Prime Minister in writing, on 23 November 2015:

In respect of the meeting of the Prime Minister's Business Advisory Council in Canberra on 3 and 4 June 2015, can his department provide an itemised list of:
(a) travel costs, including air and ground transport,
(b) accommodation costs, including (i) the name and location of each venue, and (ii) a description of each suite,
(c) meal costs, including the (i) date, (ii) city/town, and (ii) venue,
(d) drinks costs,
(e) social events costs and other associated expenditure, and
(f) the full itinerary of official events for delegates.
Mr Turnbull: As the Honourable Member is aware, I was sworn in as Prime Minister on 15 September 2015. I have since decided to discontinue the Council. As the honourable member's question relates to matters before that date, I am advised by the Department of the Prime Minister and Cabinet that the answer to the honourable member's question is as follows:

(a) As at 9 December 2015, Council members had been reimbursed $4936.14 for travel costs, including air and ground transport, paid in line with the Remuneration Tribunal's Part-time Office Holder Determination and the Official Travel by Office Holders Determination.

(b) As at 9 December 2015, Council members had been reimbursed $1056.56 for accommodation, paid in line with the Remuneration Tribunal's Part-time Office Holder Determination and the Official Travel by Office Holders Determination.

(c) Catering costs of $1763.50 were incurred in line with the Department of Prime Minister and Cabinet's Guidelines for Official Hospitality.

(d) There were no further costs incurred in association with this meeting.

(f) The Council met for dinner on 3 June 2015 from 7.00 pm, and at Parliament House the following day, from 9.00 am to 2.00 pm.

Department of Prime Minister and Cabinet: Forest Fires in Indonesia

(Question No 2102)

Mr Zappia asked the Prime Minister in writing, on 24 November 2015:

During his visit to Indonesia in November 2015, did he discuss with President Joko Widodo the effects of the haze from forest burning on:

a) other Asian countries; and

b) global carbon emissions; if so, what was the outcome.

Mr Turnbull: The answer to the honourable member's question is as follows:

The Government does not comment on the confidential discussions between leaders.

During my visit to Indonesia on 12 November 2015, President Joko Widodo publicly thanked the Australian Government during his press remarks for our contribution to addressing the serious forest fires which Indonesia experienced in late 2015. Australia assisted Indonesia to fight the fires, including by deploying two aircraft, a Lockheed L100 Hercules water tanker and a Turbo Commander 690B support plane, to Palembang, Sumatra.