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SITTING DAYS—2013

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

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

House of Representatives Office holders
Speaker—Hon. Bronwyn Kathleen Bishop MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell
Members of the Speaker’s Panel—Mr Russell Evan Broadbent MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Mr Craig Kelly MP, Hon. Charles Christian Porter MP, Mr Ross Xavier Vasta MP,
Mr Brett David Whiteley 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. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Hon. Philip Maxwell Ruddock MP
Government Whips—Mr Scott Buchholz MP and Ms Nola Bethwyn Marino 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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<tr>
<td>Zappia, Mr Antonio</td>
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**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—Katters 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**—B Wright
- **Secretary, Department of Parliamentary Services**—C Mills
- **Parliamentary Budget Officer**—P Bowen
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<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td><em>Senator the Hon. Eric Abetz</em></td>
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<tr>
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<td>Shadow Attorney General</td>
<td>Hon Mark Dreyfus QC MP</td>
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The SPEAKER (Hon. Bronwyn Bishop) took the chair at 09:00, made an acknowledgement of country and read prayers.

BILLS

Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr GRAY (Brand) (09:01): Congratulations, Madam Speaker, on your elevation to high office. The Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013 continues the great tradition of the bipartisanship of this parliament in helping to develop an outstanding offshore oil and gas regulatory environment. It is an environment that, in every aspect of that word, is delicate and important for our nation, ensuring that in the offshore environment we have the ability to explore for mineral wealth and have the capacity to put in place the best possible industrial arrangements for the extraction of that mineral wealth, and then ensuring also that Australians benefit for generations to come.

In our offshore regulatory environment, not only do we do the best that we can to ensure best possible practice but, I believe, we do the best in the world. That offshore practice of course relates to how we manage property rights. It also relates to how we best ensure the best benefit for our nation from the subsurface wealth of our nation. But it must be done safely. The offshore environment is a dangerous environment. In the course of the last year or so, we have seen deaths occur in the offshore environment that were properly investigated. We have seen the uncontrolled release of hydrocarbons at Montara and the explosions at Varanus Island. The deaths of the two employees on the Stena Clyde through to the explosions at Varanus and the uncontrolled release on Montara serve to demonstrate for us the great risk and danger in the offshore environment.

But what it also shows us is our great technical capability of being able to find and extract hydrocarbons—and do it well. These events underlie the need for a strong, effective and properly resourced offshore petroleum regulatory regime that does safeguard human health, safety and the marine environment. What they also show is the need for an offshore regulatory regime that allows industry to operate with great certainty and understanding.

It is the view of the Labor Party that the offshore regulatory environment is the best first opportunity for us to establish the idea of what the government has come to characterise as the 'one-stop shop'. We believe that the great capability that resides in our offshore regulators to carry out their work in a safe way is also the capability that allows those very same regulators...
to be accredited to carry out environmental work too, so we expect the first rapid progress in this area following decisions made by the former government in April and May this year.

Petroleum exploration in Australian waters is to be encouraged. It is to be encouraged not simply because of the great wealth that Australia has in the offshore environment; it is to be encouraged because the clean energy that is generated from our offshore hydrocarbons resource powers not just our nation but also the growing economies to our north. Just 20 years ago Australia produced less than 15 million tonnes of liquefied natural gas per year. By 2020 Australia will produce in excess of 100 million tonnes of liquefied natural gas per year. Liquefied natural gas is, in every way, the fuel of the future. Liquefied natural gas is also the fuel that is predominantly reliant upon this offshore regulatory environment—notwithstanding the rapid growth of the natural gas from coal-seam and shale developments onshore.

But that petroleum exploration environment in Australian waters extends from the hostile waters of the southern ocean, where BP and the Norwegian company Statoil will once again begin an exploration program through the Great Australian Bight—sensitively, carefully and scientifically considering the subsurface environment to see whether or not there is a large hydrocarbon field to the south of Australia. As we all understand the value to our nation over the past 40 years of the development of the Bass Strait fields, and of the great future that lies ahead for our nation as a consequence of the development of the gas fields off the northern coast of Western Australia, we now also turn our attention to where two of the world's great hydrocarbon companies, BP and Statoil, are looking for hydrocarbons in the most delicate marine environment off our southern coast.

I am a great optimist that that work can be done well; I am a great optimist that, despite the ferocious and torrid environment in which that exploration will take place, it will be done well; and I am a great believer that the growth of the hydrocarbon industry, in all of its forms in our offshore environment, is supported by the most carefully considered regulatory environment which we can put together and which also has sufficient intelligence and flexibility to allow us to openly consider hydrocarbons exploration in the most delicate marine environment.

The stable and internationally competitive offshore investment regime is important. Each year, the Commonwealth engages with stakeholders and releases offshore petroleum exploration acreage for competitive bidding by prospective explorers. Our offshore lease arrangements are made available for exploration in a number of ways. We first allow for competitive bids for work programs. Company A will bid that it will drill a certain number of wells and carry out a certain amount of seismic work and a certain amount of scientific analysis of data to give the best opportunity to find hydrocarbons.

But what we are also doing in these bills is taking the first steps back to a system of cash bidding for acreage. It is the case that, when companies bid for acreage for exploration on the basis of work programs—the drilling and the seismic work—those programs bring with them costs that are measured in the hundreds of millions of dollars. That will certainly be the case, for instance, in the Southern Ocean in the Great Australian Bight. But in some areas where the subsurface is better understood it makes more sense to more to a cash bidding environment because of ease and transparency and also because it creates a better return for the Australian people. These bills create that environment once again. We did have for a short time in the 1980s and early 1990s a cash bidding environment. That was introduced in 1985 by a Labor
government and then removed in 1992 by a Labor government, so we have looked at the cash bidding environment before and we believe that the particular model that is being proposed by the government is a good model and a model that deserves the support of this House.

The amendments in this legislation introduce a range of tools to achieve more efficient allocations of petroleum exploration permits. As I said, currently permits are awarded on the basis of clearly understood work programs and bidding that allocates exploration acreage on the basis of the applicant that proposes the most amount of work or the greatest value of work to explore the petroleum potential of a particular release area. Companies making cash bids must have their technical and financial competence carefully assessed. It is the case that we have been blessed in our nation that the companies that have carried out work in our waters have been good companies. We should not deny the reality of the uncontrolled release at Montara. But we should also accept that, in that case, the response of industry and of government at state and territory and Commonwealth levels was rapid, ensuring firstly the protection of human life and secondly the protection of the environment. All of our studies and considerations since that event in 2009 at Montara have shown that the rapid response of all involved ensured that the Montara event was controlled as quickly as it could have been and that the impact on the environment was minimal.

The system of lease management that we have in Australia is close to world's best practice. We have a lease management system that works in three ways: an exploration lease, which is available for the exploration of the ocean bed for hydrocarbons; a retention lease process, which allows a company which, having made a discovery, can consider the best and most viable economic options for the development of a resource; and then of course, having done that, to move to a production licence.

The retention lease process is very important in the stability and certainty that is provided to explorers. Under the retention lease process, a company which has found or acquired hydrocarbons can then hold that lease and properly consider viable options for the development of the resource. This becomes most pertinent and relevant in the Australian context in the case of the Browse Basin and Commonwealth leases which were renewed just a few months ago. The renewal of those leases was purposely done in order to allow the joint-venture partners in the Browse Basin the best and broadest range of options to develop that resource. The Browse oil and gas fields remain extremely important to the economic future of our nation. They remain vital to the economic development of Western Australia and they are, in every sense, critical to the economic development of the Kimberley coast.

The new retention lease arrangements that have been provided for in the context of Browse allow for development options different to the previous retention lease, which had explicitly stated that the development of the Browse oil and gas fields had to be onshore at James Price Point. It is unfortunate, but a commercial reality, that the operator and the joint venturer have concluded that they do not see a viable economic future in the development of the James Price Point site and in the development onshore of the Browse gas resource. So at this stage the joint venture is taking advantage of the property rights that are recognised in retention leases, and the options and the flexibilities that are inherent in retention leases, to develop the idea of floating LNG production technology in the case of the Browse Basin. This is a good thing for our nation. It is a terrific thing for Western Australia and it will underwrite careers and jobs—a whole industry—in offshore hydrocarbon production for our country.
Let me explain how that will work. It will work because it may well be that, on the Browse Basin, we will see one, two or even three floating facilities. These facilities will be 400 or 500 metres long. They will be 100 metres wide. They will be the world's largest man-made floating structures. They will carry on board all of the industrial capability, all of the safety capability, that currently exists in onshore gas liquefaction technology. And it will be done with a smaller carbon footprint. It will be done in a way that means we do not have to pipe gas 400 kilometres to shore and then pipe CO\textsubscript{2} 400 kilometres back out to sea for potential sequestration. It will be done in situ with the smallest possible environmental footprint. It will also be done in a way that creates capital efficiency in the LNG industry of the sort that we have not yet seen in Australia. Why is that important? It is important because we are seeing cost escalation in this most important fuel source as a consequence of the capital cost blowing out at the construction phase of our LNG plants.

The best way to address that productivity challenge is to bring in the next step-change in technology. That step-change in technology is facilitated by our retention lease system. That step-change in technology is supported by the property rights that are protected by our retention leases. That step-change in technology is what will see Australian LNG entering into north Asian markets, and continuing to dominate in north Asian markets, where currently those markets are under stress from potential gas suppliers out of East Africa and maybe even pipeline gas out of Russia. These commercial threats are important and should be understood by all people with an interest in our resources industry. If we do not keep our resources industries, which are our principal export industries, as sharp and as efficient as they can be, future generations will pay the price.

In the offshore environment our taxation structure is modern, our retention-lease management system is modern and the bill we are dealing with today will modernise how exploration takes place. All of this puts the offshore oil and gas industry of Australia in an absolutely terrific position.

In 2012, the former government announced that it would reintroduce cash bidding for selected offshore petroleum permits. Cash bidding had previously been used in Australia between 1985 and 1992. On being introduced in 1985, cash bidding was one of a range of measures introduced by the then Hawke government in order to better configure the hydrocarbons industry for the great future that all of us in this place at that time agreed that it had. Cash bidding is currently used successfully in the Gulf of Mexico, one of the world's premier hydrocarbon provinces, and it has recently been introduced in the onshore coal tenement titles management systems in Queensland.

Last year, the former government decided that cash bidding would be used from 2014 onwards to allocate offshore petroleum acreage in mature areas and in areas containing known petroleum accumulations. This is important, because we are not saying to exploration companies that you must cash bid in an environment where there is no understanding of subsurface structures. What we are saying is that there will be cash bidding in environments where companies can understand the probabilities of different kinds of discoveries. Those probabilities, and whether the target is oil or gas, whether the gas is wet gas or dry gas and whether the gas contains a higher or lower CO\textsubscript{2} component, all become factors that companies can take into account when they make their cash bids. It is a great way of optimising for the
Australian community a property right that hereto has been dealt with on the basis of the cost of carrying out further exploration drilling and further seismic work.

It should be said in this context that the great value to our nation of Geoscience Australia and its ability to capture, store, make available and interpret geological data to the great advantage of our nation cannot be underestimated. There are currently very large oil and gas fields that were discovered on the basis of the data which had been held at Geoscience Australia. Off the coast of northern Australia at Ichthys a very large oil and gas field is currently being developed and export gas will be converted through Darwin, but the discovery was made largely on the basis of the geological data which was freely available to the explorers through Geoscience Australia.

So you see in this context that the recognition of property rights through cash bidding and the retention lease management system, the intelligent interoperation of data management, world’s best practice in oil and gas field management, a safe environment for workers to operate in, and a safe environment for work to be carried out in hydrocarbons in environmentally sensitive waters allow our nation to tap mineral wealth that has the capacity to supply energy to our world for thousands of years.

I read a paper last night that speculated on the potential size of Australia's current gas resources. Those potential supplies of Australia's current gas resources run to well over 1,000 trillion cubic feet of gas. Currently we export or consume around one trillion cubic feet of gas per year. We have the capacity through our in situ oil and gas resources to supply the world with hydrocarbons for in excess of 15,000 years at current rates of extraction. That allows us as a nation the great comfort of putting in place the best possible management regime to ensure environmental standards, human safety standards and a return to the Australian people for generations to come. It is one of the great realities of our nation that our export markets, which are increasingly driven by our ability to be a world-leading resources economy, are underpinned by the world-leading position that we can take in hydrocarbons technologies. That is why the completely virtuous cycle exists in how we manage exploration, how we allow companies to retain the commercial opportunity that they have discovered until they can turn it into a realisable and profitable business and then how, when that business is operating, the taxpayers of Australia now and for generations to come receive a benefit from the extraction of those hydrocarbons resources.

And we do it in a way that is both safe and efficient. We do it in a way that, frankly, should make us all proud. We do it in a way that will generate in future years hundreds of thousands of jobs. I have mentioned floating LNG. Those jobs will be of the highest possible technical calibre. The men and women who will work in the control rooms of those LNG vessels are probably still in high school. We will develop a generation of operators who will be able to dominate the global marketplace for capability and technical excellence operating in the marine hydrocarbons production environment, in an industry where only Australia currently has a foothold.

But what we must do with that industry and that technology is turn that current foothold, represented by the prelude development of Royal Dutch Shell off the northern coast of Western Australia, into a footprint that will: place Australia for generations to come in the leadership role in these technologies, give us the capacity to manage large volumes of hydrocarbons; allow us to manufacture at sea for markets that need the hydrocarbons at the
most competitive price; and enable us to compete for capital in very tight capital markets with technical propositions that are right sized, secure, good business models for future investment.

Bringing all of those elements together—as these bills do—and so providing for a good, market-driven exploration system, a market-driven retention lease management system and then a pure market-driven minerals exploration system, is the way for our nation to best optimise the chances available to us in the global marketplace. It is that global marketplace, if we can win in it—and we will win in it through our technical excellence—that will underpin our living standards, the capacity of our governments to build schools, roads and hospitals and the ability of our nation to continue to be great. I commend these bills to the House. They are terrific steps in helping to modernise our retention lease, exploration lease and lease management systems in the best possible way.

Debate adjourned.

Reference to Federation Chamber

Mr RUDDOCK (Berowra—Chief Government Whip) (09:32): by leave—I declare that the following bills are referred to the Federation Chamber for further consideration: the Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013 and the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013.

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr FITZGIBBON (Hunter) (09:33): It is a delight to make a contribution to what is an uncontroversial but very important debate in this place on the Rural Research and Development Legislation Amendment Bill 2013 and cognate bills. There can be nothing more important to Australia's future prosperity than a healthy, productive and competitive agricultural sector. There can be nothing more important to a nation than the concept of food security. On this front we as a country are blessed, exporting around two-thirds of everything we produce. In the immediate future at least, food security is not a problem for this country—that is, of course, in the absence of catastrophic weather, disease or other events, and this is an area where we should keep climate change in mind. In the absence of those events we do enjoy very significant food security in this country, but we must always be vigilant in ensuring that that remains the case.

As the former Labor government's food plan and many other reports have identified, Australia has a wonderful opportunity before it in the form of what I have come to call the 'dining boom'—that is, this emerging strong growth in food demand right around the world, said to possibly mean an increase in demand of some 70 per cent by 2050 as we see the world's population inching towards nine billion people—and of course an emerging middle-
class in many developing nations, particularly in Asia but also in many other parts of the world, including Africa.

The key question for Australia is: if we are to fully capitalise on this opportunity how do we produce up to three times more food than we currently produce, with the same limited, and in some cases depleting—again, I mark climate change here—land, water and people resources? The obvious answer to that question is that we will require a big lift in agriculture productivity. The next question is: how do we achieve this big lift in productivity? The answer is of course a big upward shift in investment—in infrastructure; in research and development generally; in innovation; in skills, which is very important; and of course technology. By necessity much of that investment will come from foreign sources. Port Jackson Partners ANZ report—I should note: authored by now an esteemed member of this place, the member for Hume—suggested that to reach these goals or aspirations, if you like, we will require $600 billion in additional investment in our agriculture sector by 2050.

Again, by definition, much of that investment will come from foreign sources. This is why those on this side of the House were so shocked—stunned, indeed—by the Treasurer's announcement last Friday that he would prohibit the offer of Archer Daniels Midland to Graincorp shareholders to take control of that company, a company that does have very significant market power but which is highly regulated by the ACCC and other regulatory authorities in this country. It is a company desperately need of capital injection—a capital injection that seemingly will not come from the company in its current ownership form. But I am not so concerned even by the decision made by the Treasurer—I am very concerned by the way in which he failed to clearly articulate his reasons for that decision. He effectively ruled out in his press conference competition being the primary concern in arriving at that decision. So international investors around the world looking at Australia are now wondering what exactly the rules are for foreign investment in Australia. We are in significant competition for this investment, as large companies look around the world for opportunities that will emerge from the ‘dining boom’, they have many choices—in South America, in Indonesia and elsewhere. I fear that, in the future months and years, they will be asking themselves whether Australia is worth it, whether the regulatory hurdles are simply too high to bother with the significant investment involved in just making an application such as the one ADM had before the Foreign Investment Review Board. These are serious questions for the future of Australian agriculture.

I noted that earlier in the week the leader of the AWU, Paul Howes, caused significant controversy by referring to the ‘ma and pa’ farms of the Australian agriculture sector. They are not words that I would have used, because I know some took offence to that. But I will say this of the comments by Paul Howes: to the extent that he was talking about the need to remodel agriculture in Australia, he was very close to the mark. We are facing a very different world. I have just spoken about some aspects of that. Family farms, particularly those small innovative farms that are now working to very much a 21st century model, will remain a very important part of our farming equation. But, so, too, will big corporations. I believe that we will have more consolidation in the farming sector in the future. I believe that we will have more corporatisation. We will address the big concern out there about where the next generation of farmers will come from by offering more graduate opportunities with big
agricultural companies, equivalent to those companies that we now see winning the nation's oil, gas and coal.

In my electorate of Hunter, where we have a good mix of agriculture, viticulture, horticulture, thoroughbred breeding and mining, we see on a regular basis young people roaming around in high visibility uniforms. They are enjoying high wages, good job security, very good superannuation et cetera. These are the things that attract young people to certain careers. I believe that in the future these things will attract young people to agriculture. Regular concerns about drought, about how tough the banks can be, and about how government has got policy wrong again will be replaced by real opportunities in agriculture. Those opportunities will be present in the family farm model but will be more available, in my view, within big corporations seeking to exploit this wonderful opportunity presented by the dining boom.

Let us not close our minds to these matters. Mr Howes may have, in my view, chosen his words better. But he does make a very solid point—that in the 21st century we cannot just stick with the old models of the past. If we want to fully capitalise on the dining boom we will need the assistance of big investment to lift that productivity and that output to the extent necessary. It is very clear to me and to most thinking people that that very large investment—investment to lift our output by up to three times—can only come from big corporations. Given our population and our limited capital in this country, investment will largely come from multinational corporations that will, more often than not, be based offshore. We should not fear that. We should be encouraging it. Nothing in the Treasurer's announcement last week did anything to encourage foreign investment in agriculture in this country.

This issue not come up, until now, because the demand has not been there—it now is—nor has the return been there. But, as demand continues to outstrip global supply, food prices in Asia and in other places will continue to rise and therefore the profitability of the investments by these big corporations will become more attractive and will continue to rise.

Investment in agriculture and in agricultural research and development in Australia is undertaken primarily through the rural development corporations, state and territory governments, the CSIRO, the tertiary education sector, cooperative research centres and the private sector. Total expenditure by all of these sectors in this country is around $1.5 billion annually. The RDCs, who commission research and development from public and private providers, are funded through a co-investment model based on industry levies and matching Australian government funding—a model that the Productivity Commission assessed as one of the best in the world and one watched by the rest of the world.

The Australian government collects industry levies under legislation for the purpose of research and development and matches the expenditure on R&D on a one-to-one basis up to a cap of 0.5 per cent of industry gross value of production. The objective of this legislation is to make this system more efficient. A version of this legislation was, of course, passed through this House in the 43rd Parliament. It was an initiative of the former Labor government but failed to pass the Senate prior to the proroguing of the parliament for the 2013 election. Therefore, the legislation has been reintroduced by the new minister, and on that basis the opposition supports the legislation.

The Rural Research and Development Legislation Amendment Bill 2013 updates and refines the Australian research and development Corporation—RDC—model in line with the
policy commitments by the former Labor government. In preparing the policy statement, Labor met and consulted with stakeholders around Australia and took into account many submissions. Extensive consultation continued in the process leading to the legislative amendments which are before us this morning.

There are 15 RDCs, six of which are statutory bodies and nine of which are industry owned, in the various agricultural sectors. The Rural Research and Development Legislation Amendment Bill 2013 will allow statutory RDCs to carry out marketing activities on behalf of their industries if a marketing levy is in place. RDCs undertaking marketing will be able to use their industry expertise to provide cost-effective, targeted marketing activities in accordance with industry needs and priorities. I note that no new changes to levy rates are in the legislation, despite the Productivity Commission's recommendation that the cap on government contributions should go from 0.5 of one per cent of the industry's value to one quarter of one per cent of the industry's value. I suspect that this will be an issue of ongoing debate.

The legislative amendments being considered here will encourage private sector investment in R&D by extending to all RDCs the arrangements for the government's matching funding to voluntary contributions for eligible research and development. Statutory funding agreements for statutory RDCs are proposed to drive performance improvements and to increase transparency in the delivery of R&D services. Funding agreements have been a flexible mechanism for providing government guidance and oversight to industry-owned RDCs, and these amendments will extend the mechanism to statutory RDCs.

The amendments in the legislation will change the process for selection of statutory RDC board directors to improve transparency and efficiency. The amendments promote due consideration of diversity in the selection process. The amendments aim to ensure high quality boards for RDCs and to reduce the time and delay associated with securing the make-up of the boards. The amendments propose to allow the collection and matching of individual fisheries industry levies subject to the cap. This will allow specific fisheries to propose levies to invest in R&D for the industry and to undertake marketing in a similar way to other rural commodities industries. The burdensome requirement for ministerial approval of statutory RDCs' annual operating plans will be removed, and other technical matters will also be addressed in the amendments.

The Primary Industries (Excise) Levies Amendment Bill 2013 removes the maximum levy rates for research and development and marketing levies on primary industry products. Similarly, the Primary Industries (Customs) Charges Amendment Bill 2013 removes the maximum charge rates for R&D and marketing and changes duties of customs. The numerical maximum levy and charge rates will be removed, and the rates will be limited to no more than the levy recommended by an industry body following a consultation with the levy and charge payers.

The legislation will not change any levy or charge rates in operation at the moment, but they will streamline the process for changing rates in the future. Levies and charges may be increased following a request by industry but will not be allowed to be set above the rate recommended by the industry. This will allow industries to manage their collective investment in research and marketing while also providing a safeguard for levy payers against arbitrary increases in rates.
So, the way I see it and have always seen it, this legislation is an important and first step in lifting Australia's productivity and in changing the way we address our RDCs and promote research and development in this country.

But more will obviously need to be done. It was interesting: I took a pretty close look at the minister's second reading speech and I noted the absence of any reference to the coalition's commitment during their campaign to inject an additional $100 million into the RDC model. One hundred million dollars is a lot of money in proportional terms. In fact, it would be around 40 per cent of the current government's spending on RDCs. That is a big lift in investment in anybody's language.

Of course that lift is something the opposition would welcome, but it would be more welcome if we saw some clear indication of how that $100 million will be spent or, indeed, how that $100 million figure was arrived at. How will the money be spent? Will the money indeed be forthcoming? And why wouldn't the minister take the opportunity during his second reading speech, on a matter which is so relevant to the campaign commitment, to make reference to that commitment? So I invite the minister to, sometime in the near future, reaffirm the now government's commitment to that $100 million promise.

I have then shadow minister John Cobb's media release with me. I will not seek leave to table it because I might be denied, but it is still on the web and very easy to find. So I make reference to it. I remind the minister of that commitment, and I invite him—as I said, sometime in the very near future—to reaffirm that commitment, to clarify where the $100 million figure came from and to say how the government intends to spend that money.

If the government has a very good plan to spend an additional $100 million on R&D in agriculture, the opposition will of course welcome it. But, as the Port Jackson Partners study indicates, assisting R&D in Australia is far more complex than just throwing more government money at it. Indeed, the recommendation from the Productivity Commission to reduce the government cap to one quarter of one per cent of the value of the industry was about encouraging greater private sector investment in research and development. I think everything I said earlier in this contribution would indicate that at the end of the day our success in R&D and its contribution to productivity improvement is not going to come from the level of government investment, as important as that is; it is going to come from a very significant lift in private sector investment in research and development. It is also about making sure that the funding commitments of the industry and government alike are closely tied to very clearly defined strategic plans to lift R&D and, therefore, productivity—and, of course, that the funding commitments focus on things like the extension of R&D, which is struggling in this country. We need a much greater focus on it.

These are just a couple of examples of the complexity of the R&D effort in Australia—in all areas of R&D in all industries, but particularly in the agricultural sector. It is not as easy as just throwing a bit of extra government money at it. It is far more complex than that.

This bill is very important. It is, again, an initiative of the former Labor government which grew out of a very good rural research and development policy statement by the former government. Again I will not seek leave to table the statement because I suspect the Leader of the House is going to deny me. But it is also very easy to find on the web.
So, as the originators of it, we of course support the bill. We want to work with the government in a bipartisan way as we drive towards the 'dining boom' and the opportunities it presents for us. We want our food plan—produced by the former Labor government, and a very important first step—to be part of that effort. We welcome Minister Joyce’s commitment to a white paper, which he is committed to producing sometime in the course of 2014. Again, I am keen for the opposition to make a contribution to that white paper process in any way it can. I am keen to have a bipartisan approach, as far as we can, to that white paper, because, in my view, Australia’s future prosperity will largely be underpinned by the extent to which we take these opportunities presented by the ‘dining boom’.

This is a very important matter for Australia. It also goes to food security, and nothing can be more important than that. So I am willing the government to do well with this white paper. On the behalf of the opposition I am making a very serious commitment to working with the government in any way we can. There will be differences, as we saw with the GrainCorp decision last week, but that does not mean that, in the majority of cases, there cannot be common ground. In fact, the national interest calls for it; the national interest demands it; and we will take that bipartisan approach at every possible opportunity.

Debate adjourned.

Reference to Federation Chamber

Mr RUDDOCK (Berowra—Chief Government Whip) (09:56): I declare that the following bills are referred to the Federation Chamber for further consideration: the Rural Research and Development Legislation Amendment Bill 2013, the Primary Industries (Excise) Levies Amendment Bill 2013 and the Primary Industries (Customs) Charges Amendment Bill 2013.

COMMITTEES

Appointment

Mr PYNE (Sturt—Leader of the House, Minister for Education) (09:56): by leave—I move:

That members be appointed as members of certain committees in accordance with the following schedule:

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<td>Mr Fitzgibbon, Ms M. L. Landry, Ms McGowan,</td>
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<td>Industry</td>
<td>Ms O’Neil, Mr Pasin, Ms Price, Mr Ramsey, Mr Tehan,</td>
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<td>Standing Committee on Appropriations</td>
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<td>and Administration</td>
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<td>Mr Buchholz, Mr Coleman Dr Chalmers, Mr Conroy,</td>
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<td>Standing Committee on Education and</td>
<td>Mrs K. L. Andrews, Ms Ellis, Mr Hawke, Mr E. T. Jones,</td>
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<td>Employment</td>
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<td>Ms Sudmalis, Mr Watts, Mr Williams</td>
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<td>Standing Committee on the Environment</td>
<td>Mr Broad, Mr Butler, Mr Dreyfus, Mr Giles, Mr Hawke,</td>
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<td>House Committee</td>
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<td>Standing Committee on Indigenous Affairs</td>
<td>Mr Giles, Ms M. L. Landry, Mr Neumann, Mr Perrett, Ms Price, Mr Ramsey,</td>
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<td>and Communications</td>
<td>Ms F. M. Scott, Mr Snowdon, Dr Stone, Mr van Manen</td>
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<td>Standing Committee on Infrastructure</td>
<td>Mr Pitt, Mrs Prentice, Ms Price, Ms Rowland, Mr Thistlethwaite, Mrs Wicks</td>
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<td>Mrs K. L. Andrews, Mr Broadbent, Mr Buchholz, Mr Byrne, Ms L. M. Chesters,</td>
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Wednesday, 4 December 2013

HOUSE OF REPRESENTATIVES

1519

COMMITTEE

MEMBERSHIP

Joint Standing Committee on Foreign Affairs, Defence and Trade
Mr Champion, Mr Danby, Mr Feeney, Mr Ferguson, Ms Gambaro, Mr Griffin, Mr Hawke, Dr Jensen, Mr E. T. Jones, Mr Kelly, Mr Marles, Mr Nikolic, Ms Plibersek, Mr Randall, Mr Wyatt Roy, Mr Ruddock, Mr B. C. Scott, Mr Simpkins, Dr Stone, Ms Vanvakinou

Joint Standing Committee on Migration
Mr C. A. Laundy, Mr Kelly, Mrs Markus, Mr Thistlethwaite, Ms Vanvakinou, Mr Zappia

Joint Standing Committee on the National Capital and External Territories
Ms Brodtmann, Mrs Griggs, Mr B. C. Scott, Mr Simpkins, Mr Snowdon, Mr Vasta

Joint Standing Committee on the National Disability Insurance Scheme
Mr Brough, Dr Gillespie, Ms Hall, Ms Macklin, Ms Rishworth, Mr Wyatt Roy

Joint Standing Committee on the Parliamentary Library
Mr Broadbent, Ms Brodtmann, Mr Danby, Ms Hall, Mr Irons, Mr Taylor, Mr Wilson

Joint Standing Committee on Treaties
Mr Broad, Dr Jensen, Ms Parke, Mrs Prentice, Mr Wyatt Roy, Dr Stone, Mr Thomson, Mr Watts, Mr Whiteley

Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples
Mr S. P. Jones, Mr Neumann, Mr Porter, Mr Wyatt

Question agreed to.

BILLS

Education Services for Overseas Students Amendment Bill 2013

First Reading

Bill and explanatory memorandum presented by Mr Pyne.

Bill read a first time.

Second Reading

Mr PYNE (Sturt—Leader of the House, Minister for Education) (09:57): I move:

That this bill be now read a second time.

The key to Australia's competitiveness in providing world-leading education services to overseas students will rest on how well we promote our institutions and enhance both their quality and the experience of students who come to our shores. We must also act decisively to minimise the constraints of unnecessary regulatory burden on education providers to support a vibrant international education system into the future. The successful and efficient operation of the Education Services for Overseas Students Act 2000, or ESOS, and its associated legislative framework is an important element in enhancing international education in Australia.

Australia's reputation for quality in international education is built on the excellence of our universities, higher education institutions, schools and technical colleges, both public and private. ESOS supports the integrity of our student visa system, which is fundamental to our international education provision. It gives students who come here the assurance that their rights as consumers are respected and their needs in adjusting to life in Australia are met. It ensures they are supported to pursue an outstanding educational experience here. We warmly welcome international students, and this government will do everything we can to encourage them to choose Australia first when they are considering an international education.

CHAMBER
There are currently around 1,000 providers of international education in Australia, from large universities and TAFEs to small private colleges and English language providers, as well as public and private schools. Under the Labor government, there was an alarming decline in income earned by Australian international education from its peak in 2009-10. This government is acting decisively and quickly to ensure a much more prosperous future for international education.

This is why the government will respond positively to the advice of the International Education Advisory Council in its report, *Australia: Educating Globally*, widely known as the Chaney report, and release a draft national strategy for international education for consultation in early 2014.

In delivering on our support for international education this government has announced an approach that will encourage growth in international student numbers by allowing flexibility in Australia's approach to allocating student visas.

The previous government limited access to streamlined visa processing to universities only, when it was introduced in late March 2012. No other higher education providers were offered access to streamlined visa processing. This government is rectifying what we consider to be a serious impediment to the growth of international education in Australia.

On 29 October 2013, the government announced that it would extend the offer of streamlined visa processing arrangements to 22 degree-awarding non-university providers of higher education that present a low immigration risk. The government also announced the simplification of the Assessment Level Framework. Education providers who are not being offered the opportunity to participate in streamlined visa processing arrangements at this time will benefit from these significant improvements to the Assessment Level Framework.

The reforms to streamlined visa processing and the Assessment Level Framework, and the work we commence here today with the ESOS Amendment Bill, are the kinds of reforms we need to strengthen our international education system. They are integral to our plan for safeguarding and enhancing Australia's status as a world-leading provider of education services.

The ESOS Amendment Bill I introduce today will begin the essential adjustment to the regulatory settings for international education to align and simplify our current legislative framework. The amendments are necessary because of unintended consequences arising from the implementation of amendments to the ESOS Act in early 2012 under the previous government. The amendments today will increase certainty and fairness for our overseas students and are an important change to ensure the current legislative framework operates effectively.

The amendments to the ESOS Act to be made by this bill will ensure that the refunds registered providers are required to make to their overseas students are appropriate. That is, the amendments ensure refunds encompass tuition fees paid by students both before and after the commencement of their period of study where those fees are unspent at the time a default occurs.

These important clarifications to a core function of the ESOS Act are to be delivered through an amendment to the use of the term 'pre-paid' fees, which will be replaced with 'tuition' fees in division 2 of part 3 of the ESOS Act. This is consistent with the original
intention of the amendments to the ESOS Act in 2012. Importantly, these changes are technical in nature and do not place new or extra requirements on providers. Rather, the requirements on providers and protections for students are being clarified and simplified and will benefit both.

In addition the bill will clarify the situation relating to refunds in cases of student defaults caused by a visa refusal. This can be a complex area for providers to navigate, where often several pieces of legislation apply, and it can be difficult for overseas students too. This bill will give the minister the power to make a legislative instrument under the ESOS Act that will stipulate how a refund to a student is to be made in instances of student default for visa refusal and also in cases of student default where there is no written agreement in place between the provider and the student. This legislative instrument is intended to take effect at the time these provisions take effect.

The bill will also amend the 'National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007' to remove reference to 'Registration Authorities'. Requirements previously imposed on registration authorities by the national code are now contained in the ESOS Act. The removal of the reference to registration authorities will ensure that the title of the national code properly reflects its content. This minor amendment precedes a more substantial review of the national code overall. The Department of Education will be consulting in the coming months with key stakeholders on ways in which the national code can be improved in the context of the government's deregulation policy, specifically its review of higher education regulation.

This bill is the first legislative step the government is taking to build a new architecture for international education so that the industry can grow and achieve its enormous potential. The government will continue to introduce more reforms to improve the competitiveness, sustainability and quality of Australia's education system into the future.

I commend the bill to the House.
Debate adjourned.

Migration Amendment (Regaining Control Over Australia's Protection Obligations) Bill 2013

First Reading

Bill and explanatory memorandum presented by Mr Morrison.
Bill read a first time.

Second Reading

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (10:05): I move:

That this bill be now read a second time.

This government keeps its election commitments. The Migration Amendment (Regaining Control Over Australia's Protection Obligations) Bill 2013 implements the coalition's election commitment to amend the Migration Act to remove the statutory criterion for the grant of a protection visa on the basis of complementary protection, and to remove other related provisions.
‘Complementary protection’ is the term used to describe a category of protection for people who are not refugees as defined by the refugees convention but who also cannot be returned to their home country because there is a real risk that they would suffer a certain type of harm that would engage Australia’s international non-refoulement obligations under the Convention Against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (CAT) and the International Covenant on Civil and Political Rights (ICCPR), namely:

- arbitrary deprivation of life;
- having the death penalty carried out;
- being subjected to torture; or
- being subjected to cruel, inhuman or degrading treatment or punishment.

The complementary protection criterion currently in the act, having commenced on 24 March 2012, allows consideration of claims raising Australia’s non-refoulement obligations under the CAT and the ICCPR as part of the protection visa process and allows a protection visa to be granted if those obligations are engaged and other visa requirements are met. This is in addition to the consideration of the refugees convention criterion.

The government has always opposed the implementation of complementary protection in the protection visa framework. It is the government’s position that it is not appropriate for Australia’s non-refoulement obligations under the CAT and the ICCPR to be considered as part of a protection visa application under the Migration Act. Such a measure creates another statutory product for people smugglers to sell.

In saying this, the bill does not propose to rescind from or limit Australia’s non-refoulement obligations, nor is it intended to withdraw from any conventions to which Australia is a party. Australia remains committed to adhering to our non-refoulement obligations under the CAT and the ICCPR. Anyone who is found to engage Australia’s non-refoulement obligations under these treaties will not be removed from Australia in breach of these obligations. However, determining the appropriate mechanism for considering complementary protection claims is a separate issue.

Introducing the complementary protection criteria into the statutory protection visa framework goes beyond the requirements of the refugees convention. Under the previous government, this created a new channel for asylum seekers to gain access to a permanent protection visa outcome even though they were found not to be a refugee and engage a lengthy process.

Since the commencement of the complementary protection provisions on 24 March 2012, only 57 applications have satisfied the requirements for the grant of a protection visa on complementary protection grounds. This begs the question as to why it was necessary to introduce complementary protection into a statutory framework which required a complementary protection assessment to be undertaken for every asylum seeker. This was a costly and inefficient way to approach the issue given the small number of people who meet the complementary protection criterion.

In fact, by far the greatest proportion of people who engage Australia’s protection obligations are currently captured under the refugees convention. The interpretation of the refugees convention grounds has evolved to encompass wide ranging protection issues where
a person's claims are able to form a nexus to the refugees convention, including such
examples as women fleeing honour killings and female genital mutilation.

On the other hand, in a number of cases that have been found to meet the complementary
protection criteria, people who have committed serious crimes in their home countries, or
people who are fleeing their home countries due to their association with criminal gangs or
their involvement in blood feuds, have been found to engage protection obligations.

Australia accepts that the position under international law is that Australia's non-
refoulement obligations under the CAT and the ICCPR are absolute and cannot be derogated
from. However, there is no obligation imposed upon Australia to follow a particular process
or to grant a particular type of visa to those people for whom non-refoulement obligations are
engaged. This is particularly the case where people are of security or serious character
concern and they do not meet the criteria for grant of a protection visa.

If a person cannot be returned to their home country, the way to resolve the person's status
will be to rely on the Minister for Immigration and Border Protection's personal and non-
compellable intervention powers to consider granting a visa. This will be the case regardless
of whether a person of security or character concern has been assessed against the
complementary protection criterion in the Migration Act or as part of an administrative
process.

The complementary protection provisions that were introduced in the Migration Act by the
previous government are complicated, convoluted, difficult for decision-makers to apply, and
are leading to inconsistent outcomes. Moreover, while the intention was to interpret and
implement Australia's non-refoulement obligations under the CAT and the ICCPR without
expanding the obligations in a way that goes beyond current international interpretations, the
courts have since broadened the scope of the interpretation of these obligations beyond that
which is required under international law.

For example, the risk threshold test for assessing whether a person engages Australia's
complementary protection obligations has this year been lowered to the same 'real chance'
threshold as under the refugees convention. Another effect of the court decisions is that even
where a person's home country has a functioning and effective police and judicial system, in
order for Australia to conclude that that country will in fact seek to, and manage to protect the
person from the risk of harm, the protection by that country's authorities must reduce the level
of harm to below that of a 'real chance'. The 'real chance' test is a very low bar and lower than
required under the CAT and the ICCPR. The court's interpretation of who should be provided
complementary protection has transformed provisions intended to be exceptional into ones
that are routine and extend well beyond what was intended by the human rights treaties.

Through removing the complementary protection criterion from the Migration Act, it is the
government's intention to re-establish the consideration of complementary protection issues
within an administrative process similar to that which was undertaken prior to the enactment
of the complementary protection legislation by the previous government. This consideration
will happen either as part of pre-removal procedures, which are undertaken by departmental
officials to assess whether the removal of an asylum seeker could engage Australia's non-
refoulement obligations, or through the use of the Minister for Immigration and Border
Protection's discretionary and non-compellable intervention powers under the act.
Considering complementary protection issues under an administrative process allows the government to regain control over Australia's protection obligations and assess whether a person's specific circumstances engage Australia's non-refugee non-refoulement obligations, as interpreted by the government in accordance with international law. This will allow the Minister for Immigration and Border Protection to consider a range of options for resolving the person's immigration status including the consideration of the exercise of the Minister for Immigration and Border Protection's personal and non-compellable public interest powers under the act to grant either a temporary or a permanent visa.

Assessing Australia's non-refugee non-refoulement obligations within an administrative process will demonstrate Australia's continued commitment to adhering to its protection obligations as it gives more scope to provide protection in different ways. The Minister for Immigration and Border Protection's personal powers have the advantage of being able to deal flexibly and constructively with genuine cases of individuals and families whose circumstances are invariably unique and complex, and who may be disadvantaged by a rigidly codified criterion.

It will allow the Minister for Immigration and Border Protection to exercise his or her intervention powers to grant the most appropriate visa dependent upon the individual circumstances of the case by taking into consideration not only Australia's non-refoulement obligations, but also Australia's broader humanitarian considerations, in an administrative process. This is particularly relevant where people may be caught up in situations of civil strife and unable to return home in the short term.

By re-establishing an administrative process it is the government's intention to ensure that where a person raises claims that are found to engage Australia's non-refoulement obligations under the CAT and the ICCPR they will not be removed from Australia in breach of those obligations but, rather, dealt with in the most appropriate manner to resolve their case.

The bill will also make a range of consequential amendments to the Migration Act.

Amendments to the Migration Regulations will also be required to remove complementary protection criteria from the protection visa subclasses.

I commend the bill to the House.

Debate adjourned.

Social Services and Other Legislation Amendment Bill 2013
Second Reading

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

Ms MACKLIN (Jagajaga) (10:15): I am pleased to speak on the Social Services and Other Legislation Amendment Bill 2013. This legislation contains a large number of provisions in areas as diverse as gambling reform, income management in Cape York and changes to our social security system. It is a complex bill and one that I think is best dealt with measure by measure, so I will go through each of them.

The first measure in the bill relates to gambling reform. It is the case that problem gambling is a very real and very serious issue in this country. For too many Australians, gambling can be incredibly destructive. It affects around five million Australians, including
friends, family and employers of people with a gambling problem. The social cost of problem gambling in this country is estimated to be around $5 billion, and that social cost comes in addition to the almost $19 billion which is lost annually by gamblers around Australia—and those figures are quite old now, being from 2008-09, and I am sure would be higher now.

This is a huge financial burden for Australian families. As the Productivity Commission said in its 2010 report:
The significant social costs associated with problem gambling mean that even policy measures with modest efficacy will often be worthwhile.

In 2012, Labor introduced measures to help protect people whose problem gambling is hurting them and their loved ones. These were meaningful reforms aimed at tackling problem gambling. The bill before us removes all of the measures contained within the National Gambling Reform Act that would help problem gamblers. Despite this, Labor continue to support meaningful measures to tackle problem gambling in our communities, so as a party we will need to revisit this issue and determine the best way forward, together with stakeholders across the community, and that is what we intend to do.

The legislation also extends income management in Cape York. The Labor Party have always been strong supporters of the Cape York welfare reform trials. After coming to government in 2007, we committed more than $100 million towards the trials, including $24½ million in this year's budget. We have always been strong advocates for the work being done in Cape York, and I am particularly proud of our government's support for that work.

In 2012, a landmark evaluation of the Cape York welfare reforms was finalised. It found that there had been significant and measurable gains in school attendance, parental responsibility and restoring local authority and leadership, as a result of these reforms. Because of the people in Cape York working with state and federal governments, and local organisations coming together, we have seen real change beginning to happen across the cape.

I want to pay special tribute today to the work of the Family Responsibilities Commission, because the FRC really is at the centre of the welfare reform process. Its objectives are to rebuild Indigenous authority and to restore social norms by reforming incentives to support socially responsible standards of behaviour at the individual, family and community levels. In the first three years of the trial, half of the adult population in the four Cape York welfare reform communities had direct contact with the Family Responsibilities Commission. Over that time, the FRC has become a very significant part of each community, with a majority of people in Cape York supporting its role in their towns.

The progress we have seen as a result of these reforms is still what you would have to call subtle, but it involves fundamental shifts in behaviour that can be expected to yield significant longer-term results. Improvements in school attendance and educational attainment will have life-changing implications for a new generation of children. Improved money-management offers immediate hope for incremental improvements to adults' quality of life. The challenge, of course, is to consolidate these gains and provide genuine economic opportunities for individuals and families to continue the journey from welfare dependence to prosperous and fulfilling lifestyles.

It is also important to note that the lessons community and government have learnt from the reforms that have taken place in Cape York are being shared with other communities...
across the nation—communities that want to take what is being done in the cape and adapt it to their circumstances. I have been very pleased to see this happening on Groote Eylandt and in Halls Creek, and this year a delegation from the NPY Women's Council visited Cape York to see what measures from Cape York might assist them in the Central Desert. The extension of income management in Cape York will make sure that this progress continues for the people of Hope Vale, Aurukun, Mossman Gorge and Coen, and for Indigenous people around Australia who might themselves benefit from the work being done in the cape. As the former Indigenous affairs minister I am a very strong supporter of these reforms. It is why I was pleased to announce further funding for them in this year's budget and why I am supporting them here today.

The bill also makes a number of changes to our social security system. The first such change is to family tax benefit part A eligibility rules. Currently family tax benefit part A can be paid to families with children aged 16 to 17 who are still undertaking or have completed secondary study, and to dependent full-time secondary students aged 18 until the end of the calendar year in which they turn 19. It was a Labor government that introduced significant increases in family payments for older teenagers to make sure that parents get the extra financial support needed to keep their children at school—another reform that I was very pleased to deliver. From 1 January 2014, family tax benefit part A will be paid to families with teenagers aged 16 to 19 who are in full-time study. We agree that, after a young person finishes school, youth allowance is a more appropriate payment for those who need assistance, so we will support the proposals in this legislation.

The legislation also makes changes to the rules for Australian working life residence. The Australian working life residence rules operate to determine how much of the aged pension a pensioner can receive if they travel overseas for more than 26 weeks. If a pensioner has spent less than the specified Australian working life residence period in Australia before going overseas, they receive only part of the pension and are still subject to means testing. Currently the required Australian working life residence to receive a full pension while living overseas is 25 years. This legislation amends this, extending it to 35 years. It brings our treatment of pensions more in line with the other OECD countries which typically require 35 to 45 years of contributions to receive a full pension overseas. The reform also reflects the principle of shared responsibility, that the retirement costs of a person should be shared fairly between the countries where a person has lived or worked during their working life. In such cases, there is also an expectation that a person, through periods of time living or working in another country, will be eligible to receive a pension from that country. Labor will support this measure.

The legislation also makes changes to the Pension Bonus Scheme. In 2009, the Labor government's pension review found that the Pension Bonus Scheme did not encourage older Australians to remain in work. The review also found that pensioners thought the scheme too complex and inflexible. So back in 2009, the Labor government closed the Pension Bonus Scheme. We replaced it with a more targeted and effective seniors work bonus to encourage older people to continue working. Thousands of age pensioners who are working part time or in seasonal jobs are better off because of Labor's work bonus for pensioners. Many senior Australians choose to undertake seasonal work and Labor's work bonus has enabled many aged pensioners to keep more of their fortnightly pension when they work in this way. The
work bonus allows for age pensioners to earn up to $250 a fortnight from employment without it being considered income under the pension income test, and this of course is on top of the income-free area. This work bonus has been a terrific incentive for aged pensioners to engage in periodic work without being financially penalised.

When we closed the Pension Bonus Scheme, however, we left it open for people who were qualified for the Pension Bonus Scheme before 20 September 2009 but who had not registered by that date. These people were able to backdate their registration if they had been working since then and had not received the age pension. This legislation brings to a close late registration for the Pension Bonus Scheme. From 1 March 2014, people will no longer be able to register for the Pension Bonus Scheme. Eligible people can still register for the scheme before that date. This is a sensible proposal and we support it.

I now turn to measures in the legislation which extend indexation clauses on higher income thresholds for family payments and family supplements. Labor believes in a strong family payments system that reflects the needs of modern Australian families. When we were in government, we made responsible decisions over a number of budgets to better target family payments. We did this by targeting assistance to low- and middle-income families who need the most support. In the 2009-10 budget we announced a number of indexation pauses on higher income thresholds. It was a sensible reform to limit the growth in family payments at the top end and make them sustainable for the future. Today the government is seeking to extend those pauses on higher income thresholds and we support these measures.

The legislation also makes changes to the rules for receiving payments overseas. This legislation makes changes to limit the amount of time people can be overseas and retain access to Australian payments. Currently families living overseas can continue to receive family and parenting payments for up to three years. This legislation amends that to make it a maximum of 56 weeks and Labor will support this measure.

The legislation also extends deeming rules to account based income streams. This was a measure proposed by Labor in April this year and we will support it again today. The pension means test aims to determine someone's financial needs based on the level of income and assets. It is important to treat all investments in the same way so that people with similar levels of assets receive a similar pension payment rate. It is only fair, and it has long been accepted, that income people receive from financial assets should count towards the pension income test. But the current rules treat income from these account based income stream products differently from how they treat income from investments such as shares or term deposits. The rules are highly concessional for those who can afford to make minimum withdrawals, but penalise those who need to draw down more from their superannuation savings. This means that, under the current rules, people with similar levels of assets can receive different pension rates. This is unfair. It is why Labor introduced this sensible reform to extend to account based income streams the rules that apply to other income streams. We did propose this change and we will support it today.

I have indicated in my remarks so far that Labor will support a number of the measures in this legislation. But there are measures within the bill that we do not support. The first of these is a proposal to charge interest on certain welfare debts. This includes debts incurred by people on Austudy, youth allowance and Abstudy—students already on income support, students who are already doing it tough, students who do not need to be subjected to this
government's cuts while trying to meet the costs of their education. It is a mean reform and we will oppose it. People on these welfare payments are already pretty vulnerable and they do not need further punishment. They need support.

The government claims that imposing interest charges will encourage debtors to repay their debts in a timely fashion, but in reality it will do just the opposite. By imposing interest charges on debts, the government is actually making it harder for people to repay their debts, making it harder for them to make ends meet. So we will not support these measures. We have seen this week how this government approaches students, particularly school students, and now we are seeing another measure that is designed to—and would—hurt low-income students. We will not support this change.

We will also not be supporting the student start-up loans that have been proposed in this legislation. This measure seeks to convert the current Student Start-up Scholarships program into an income contingent loan program to be offered to full-time higher education students in receipt of youth allowance, Austudy or Abstudy. It is the case that when we were in government we did propose a similar measure, but I want to emphasise that the measure we proposed had one purpose: to fund the Better Schools Plan, to make a significant contribution to increasing funding for our schools. As we have seen day after day this week, that plan now lies in tatters.

Despite the government going to the election on what they called a 'unity ticket' on schools funding, they are now walking away from Labor's Better Schools Plan. Yesterday in question time, the Prime Minister refused to commit to the $14.65 billion in additional funding for schools that was promised by the Labor Party as part of our Better Schools Plan. The government are giving no assurance that states will not cut schools funding. Unfortunately, parents and teachers are finding already that this government cannot be trusted on education. There is no sign that they would use the funds from this measure for education. Right now, it is quite clear that this is a cut for the sake of cutting. The Labor Party cannot and will not support it.

Another measure in this legislation is the extension of the freeze on indexation of the upper limit of $7,500 on the annual child care rebate. Labor will oppose this measure as well. We have been strong supporters of increased support for Australian families struggling to meet the costs of child care. When we were in government, we increased the childcare rebate from 30 per cent to 50 per cent and we increased the annual cap from $4,354 to the current limit of $7,500. When we proposed the savings measure that is in this legislation, it was to directly support the $300 million Early Years Quality Fund, a fund established to support quality outcomes for children by assisting early childhood services to attract and retain early childhood educators. Just two weeks ago, the Abbott government put a freeze on this fund. As a result, they are left with absolutely no justification for pursuing $100 million in cuts by freezing indexation of the upper limit of the childcare rebate. So we will not support this change.

The final measure I want to discuss today is the proposed change to the administration of the Paid Parental Leave Scheme. This legislation seeks to remove the role of employers in administering paid parental leave for their employees and to give that function entirely to Centrelink. It was of course Labor that introduced this country's first ever national paid parental leave scheme—a major reform I was very pleased to deliver. Already we have seen
around 300,000 parents, largely women, get access to paid parental leave since it was introduced in January 2011. We have also seen 37,000 dads and same-sex partners access dad and partner pay since January 2013.

Since its introduction, this scheme has been administered in part by employers. When we designed the Paid Parental Leave Scheme, the employer role was included in order to help employers retain their skilled staff. It was also a way of enabling people, especially women, to remain connected to work and their careers while they were taking time out of the workforce to have a baby or adopt a child. But as the scheme progressed we listened to business and understood that in tough economic environments small businesses needed to be able to devote their scarce time to adapting and thriving in a changing economy. That is why, for the 2013 election campaign, we adopted a position of allowing businesses with fewer than 20 employees to streamline administration and have Centrelink make paid parental leave payments to employees on parental leave. This was a sensible balance between the need for employees on parental leave to maintain a relationship with their employers and the need to give small businesses the option of having their paid parental leave administered by Centrelink.

Unfortunately this legislation takes this a step further, completely abolishing the role of the employer in administering paid parental leave. In my view, it does not strike the right balance. Rather, it severs the important link between employers and their employees. This is not good for women and it is not good for employers. We will not be supporting this measure. We will introduce amendments which would limit the applicability of this measure to organisations with 20 employees or less. Our amendments would give these organisations the choice of continuing as the payer of paid parental leave to their long-term employees or passing the administration to Centrelink. Our amendments would get the balance right.

In conclusion, Labor will support the sensible savings measures in this legislation, but there are some measures in it that we do not support. We think that the interest charges on debts incurred by people on income support are particularly harsh and we will also not support the freeze on the childcare rebate or the conversion of the student start-up loans. As I indicated, we will seek to amend the role of the employer in Labor's Paid Parental Leave Scheme to make sure that small businesses have the choice of using Centrelink if they want to, but for larger businesses it is certainly in the interests of employers and employees that employers continue to be the payer for their long-term employees. I commend the amendments to the House.

Mr BROADBENT (McMillan) (10:38): The shadow minister has opened the floodgates on what Labor would support in government but will not support in opposition. The Social Services and Other Legislation Amendment Bill is important to many people across the spectrum of the Australian community, and I am staggered that the Labor government would introduce such harsh measures in government and then come into this place with some spurious excuse about why they were doing something that we now cannot. This is especially the case with the introduction of interest charges for student debts. The background notes on the bill say it is a saving commitment made by the former government as part of the 2012 MYEFO. It is part of the Labor government's changes. Student start-up loans were also part of the Labor government's changes and were provided for in its budget.
It is remarkable that those opposite have come into the 44th Parliament and they have said that here are the arrangements we had when we were in government but we are completely turning our backs on those arrangements. There are only two items in the whole of this legislation that are not proposals of the previous government, and they are the changes to do with gambling reform—that is important, and I will come to it in a moment—and the way paid parental leave will be administered. They are the only two things in this massive piece of legislation that we are changing. All the rest of the proposals in the bill are Labor government proposals. Now the shadow minister says that they will support half of those, the ones they feel comfortable with.

Those opposite ought to think about all those people who historically have identified with the Labor Party but who in the last election clearly identified with the coalition. The way they treat people is the reason they are not in government today, and we, as a new government, should be reminded that when we effect legislation like this we can change people's lives. We can change them for the better; we can change them for the worse. Legislation can affect their income and affect their daily lives. I am appalled that the previous government would come into this place and say, 'Here is what we were going to do to this group of people when we were in government but, now we are not in government, a conscience has struck us, we feel terrible about it, this was never our intention but we had to do it because we were told to do it, and we have had to change our minds.' Who were they told by? They have no idea, but they have left us in a budget situation that is so difficult that we have to go along with some of these draconian measures until such time as we can get things sorted out.

The shadow minister said that the Labor Party's commitment was that as an opposition they would work through the issues and their approach to problem gambling. Yesterday in the House the member for Denison asked a question. I like the way the member for Denison works, because he has a passion for gambling reform. I accept that. He said:

My question is to the Prime Minister. Prime Minister, your government wants to overturn the 43rd Parliament's modest poker machine reforms, so I want to know how all the avowed Christians in the government care so little for Australia's 95,000 poker machine problem gamblers and the people they affect—or do they just care a whole lot more about the hundreds of thousands of dollars the coalition has received from the poker machine industry?

I do not know where the second part of his question came from, because I did not receive a cent from the poker machine industry and I do not know of any of my colleagues who did. Mr Wilkie was asked to change the 'avowed Christians' part of his question so as not to reflect on anyone. What has happened in this process? This parliament was in a hung situation where the government of the day relied on a small number of individuals for its very existence. In that heated process the raising of a single issue, gambling reform, the scourge of poker machines in this country, came forth through the member for Denison. I can accept that, in that situation, but I put to the member for Denison that now we have the opportunity to properly address the issues, as the shadow minister indicated. She talked about the social costs of gambling, particularly poker machines, being $5 billion and gambling losses in this country being around $19 billion. I am not a friend of the poker machine. Some 30 years ago I put $20 into a poker machine and I did not get any back, so I have never put any in since. Having said that, we now have the chance, with the Labor Party, to work through the issues.
I say to the member for Denison: do not give up on your dream of changing the way we approach gambling reform. What the government is doing here, with the removal of the previous legislation, is saying, 'We are prepared,' as the Prime Minister said yesterday. Mr Abbott made three statements: firstly, we support voluntary precommitment—that is, machines that you can precommit to—in regard to poker machines; secondly, we support more counselling for problem gamblers; thirdly, we will implement stronger restrictions on online gambling. This government is prepared to now quietly work through the process of how we might address this issue. Having always personally seen this as more of an issue under state administration, I accept that we do not need to be the regulator. But I can understand how the member for Denison wants to champion this issue, and I believe Senator Xenophon also wants to champion this issue. They believe they are here on that issue.

Whilst that is important, as are the other measures in here, we now have a chance to quietly work through the processes to allow for a reasonable response from this parliament in regard to problem gambling, as we do for other social problems that affect the community in general. We, as a parliament, whether we liked it or not, have changed the packaging for cigarettes. We invest a lot of money in trying to reduce the consumption of alcohol across the country. In these steps here we have changed welfare payments in parts of our community to make sure that they are directed at the area where they need to be focused. That has been supported by the shadow minister today. But, as the minister, she implemented those changes. They are addressed in here today, and we continue to fund that trial. Remember, that is a trial in parts of the communities in Australia where we have reforms in place that force people to set aside a certain amount of their welfare payments for the benefit of their families. That is to encourage them, hopefully, to make sure their kids get to school and to make sure they have something to eat. Hopefully, we are moving through a process whereby communities may be changed. I am not saying they will be, and the minister did talk about incremental benefits in regard to this.

This bill is very large. I do not know whether some of the measures in this bill will be effective. I do not know whether an interest charge on student loans is appropriate. I think we should be doing all we can for our students. But, having said that, when you come into government and there are massive constraints on the budget rather than funds available for you to press for your programs, I understand why we will argue in this bill that we cannot step away from the position that the previous Labor government has left us in. Now I say that with all sincerity. I expect that some of the people affected by the changes in these bills would be very disappointed in the previous government for introducing this, and they would have expected us to repeal the legislation that was put in place, if we could choose to. However, we find ourselves in a position where we are unable to do that.

The paid parental leave change really is only to take the burden off small business. Of course, coming out of small business myself—if any of you know my background, and I do not expect you to—I know that the burdens of administration and red tape are thrown around very easily. But the people out in our businesses right across this nation—and they are the greatest employers of people right around Australia—are the ones who are staying up in the wee hours of the night filling in forms and papers, paying their taxes, filling in their BAS statements—which are an absolute pain in the neck—or having someone fill in their BAS statements for them, and paying their taxes. All they want to do is get on with their job. In this
regard, we are saying the department can pay that directly. The employer can opt in to be part of paying the paid parental leave scheme; otherwise it will be paid directly by the parliament. I think it is a very, very reasonable change for the government to take responsibility for the actions that it takes that usually put a burden, such as another piece of red tape or another overlay of legislation—whatever that might be—on another business.

We see here the Abbott government taking responsibility for the programs that it administers. It is a hobbyhorse of mine that governments in all areas should understand that it costs money to administer this nation, and we should be allocating what is appropriate for the general public to administer and what is appropriate for the government to administer. Democracy costs money. We keep on diminishing the amount of funds that we are prepared to spend on this institution, this parliament and other aspects of government activity. I see it as a very important directional guide for this parliament to say that here is a government that, for the first time, is prepared to take responsibility for the burden that it has placed upon small business, especially, across this country. It is saying to them that it is going to take that administrative burden off small business, it is going to give it to the department, and it is going to pay for that administration. This parliament is going to pay for that administration.

That is a giant step forward, because I do not believe that previous governments—and I am talking about governments, not about the Labor government but about the previous governments in this country—have found it too easy to introduce laws and then place all the administration and responsibility, particularly, and the burden of that responsibility, onto businesses across this country, by the flick of a pen from a bureaucrat who says, 'No, this is how you will do it.' Even with the BAS statements, governments realised the burden they had put on a lot of small business, and they made change after change after change. Because there is so much in this legislation—and there is quite a bit of it; you just heard the shadow minister go through it—I have to have a look at the motives. It seems reasonable that you might say, 'Well, you have lived in this country for 25 years, we are going to move that to 35 years because that fits in with the OECD outline.' But I just wonder who it is in the community that they need to address on these issues. I think there were some underlying reasons, under the previous government, that never came out in the legislation. All of these changes need to be monitored to see whether they work. In regard to the change to the Pension Bonus Scheme, the previous government actually found out it did not work, which was rather interesting. People just took advantage of it; it was a ripper for them. And that is what happened—people looked at that scheme and said, 'Oh, what a beauty: the government will pay me if I continue in work'. And they were going to continue in work anyway. So why do we intervene in these sorts of areas? When people are in their 60s, 70s and 80s, they choose to work or not work. In this country—it is an amazing country—it is amazing that they can actually choose to work or not, which is quite different to what happens in most other countries around the world. These proposed changes are proper changes, they are appropriate changes, but they need to be monitored. Because—as with many of these things—I say to the members of this House: it is not how the very wealthy will deal with it; they are not part of it. It is not even how those in the middle-income brackets will deal with it. A lot of the people who are addressed in this particular piece of legislation are our most vulnerable. If we have any responsibility in this place, it is to those people who are the most vulnerable. (Time expired)
Mr NEUMANN (Blair) (10:53): The shadow minister outlined our position in relation to the Social Services and Other Legislation Amendment Bill 2013. I rise to support what she has to say. I do not propose to go through every single aspect of this omnibus bill, except to say that it is typical of a coalition government that comes into power that it wants to undertake cuts—allegedly for savings measures but, in fact, engaging in cuts which will have an adverse impact on families and individuals around the country.

The coalition cannot help themselves. The moment they get in, whether it is at a federal level or a state level, their instinct—in their DNA, and in their blood and bone—is to undertake cuts which mean that families will struggle with their cost of living. So much for the feigning and the protestations we saw from those opposite, worrying about cost-of-living pressures. This bill, if passed, will result in a terrible reduction in income available for families around the country to feed and clothe themselves, to educate their children, to meet their household needs, and to make sure that their health services are delivered and that they can pay for them. It means that families will have less money available in their household budgets to meet their needs. We see in this bill an example, once again, of those opposite not listening to regional and rural areas, and not listening to the needs of middle-class and working class Australians. We will be opposing a number of aspects of this bill—the interest charges in relation to certain welfare debts, the student start-up loans, and the proposed extension of the annual childcare rebate limit—and we will defend Australian families in relation to this. Speakers on this side, I am certain, will also talk about our legacy.

Last night I spoke in relation to another piece of legislation which was an example of how the coalition works. Like the Howard coalition government, which undertook a five per cent reduction in the funding for the higher education sector the moment they got into power—the imposition of WorkChoices on the higher education sector and the reduction of capital infrastructure in the higher education sector—what the coalition is doing here is making further changes to impact adversely on the higher education sector in this country. I do not know why the coalition are doing this—except that it must be about looking for this fictional ‘budget emergency’ that they cannot find anywhere. They used to talk about it all the time. I can remember them promising—of course!—that they would have surpluses each and every year of the life of their government. Well, that sort of language does not emanate from those opposite now. I can recall the now Treasurer talking about this. I presume this budget emergency is like the sort of hysteria that they demonstrated many times when they would get up at this dispatch box and wax lyrical about how we were sending the country bankrupt et cetera. That is nonsense. They know it is nonsense. This legislation should not be passed in this form. It will have an adverse impact on Australian families. It is a cruel attack on Australian students. Students are already doing it tough—anyone who goes to university knows it is not easy to get through university—and the application of this charge will do just the opposite of making it easier: it will make it harder for students to make repayments.

I want to talk about one aspect of this bill, and to give the coalition credit in relation to a Cape York issue which is also part of this particular bill. When I was chair of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, in the course of looking at Indigenous justice around the country the committee examined issues in relation to what was happening up in the Cape. The Cape York Welfare Reform trial was started some years ago. We looked at it in our report, which was called Doing time—time for
doing: Indigenous youth in the criminal justice system. We recommended to the Commonwealth government in recommendation 38 ‘that the Australian Government in partnership with the Queensland Government and the Cape York Institute for Policy and Leadership extend the funding of the Family Responsibility Commission’. At that stage, we recommended this extension of funding until December 2013, pending further evaluation. In previous budgets we provided funding for the FRC of $16 million or thereabouts until December 2012, and we extended that funding and continued it onwards in relation to those communities, such as Aurukun, Coen, Hope Vale and Mossman Gorge. That sort of whole-of-community approach to caring for students, making sure kids got to school, and families being supported with social norms, community support, eldership support and mentoring, started back in July 2008. The purpose of it is to restore socially responsible behaviour, to assist communities to assume responsibility for school attendance, and to improve personal resilience and community and family life. We funded that. We made sure that that was important, and that it would be undertaken. I commend the government for continuing that particular funding. This legislation, I confess and admit, contains provisions in relation to that continuing funding. We have seen significant gains already in Cape York as a result of this. We had committed $24.5 million over two years to December 2015 to improve Indigenous people's lives up on the Cape. I do think it has made an impact.

There was an evaluation undertaken in March 2013 which showed gains had been made in personal responsibility for attending school and in family and community life. I commend the government for undertaking this. Sadly and tragically, we have not seen the same reciprocity of commitment from the Queensland government. In fact, there was a time when the Queensland government said it would dramatically reduce its funding, which it did, but then it was shamed by the public cry in Queensland into making some contribution to that particular trial. The Queensland government needs to restore its funding to previous levels to ensure that this trial continues to operate in the way it needs to. We are calling on the Queensland LNP government to show its commitment to Indigenous people on the Cape to do the right thing and invest in these important reforms. We did so, and I admit that the current government is also doing so at the moment. I commend them for it. It is important work that needs to be done to make sure that Indigenous people get the kind of its assistance they need, particularly in remote areas.

However, I cannot say the same for the rest of the bill. There are aspects of this particular bill we will not agree to—especially the conversion of the student start-up scholarships to income-contingent loans. We think it is unfair and puts a burden on the higher education sector. Labor really supported the tertiary sector: in 2007, when we came to power, investment in the sector stood at $8.1 billion and had increased to $14 billion in 2013. That stands in stark contrast to those opposite. When many of their ministers were sitting in the cabinet room with Prime Minister John Howard, they cut funding to tertiary education. In Labor's term we saw a massive increase in participation rates of tertiary students. There are 190,000 more students at university today as a result of Labor's reforms, along with a 73 per cent increase in funding. We also made massive investment in capital infrastructure for universities. Unlike the billions of dollars ripped out of the system through neglect by those opposite when they were in power post-1996, we made sure that we invested. Real funding per student increased from $16,277 to $18,000 under the federal Labor government. Commonwealth funded places increased by 35 per cent. We also saw in my shadow portfolio
of Indigenous affairs an increase of 26 per cent in the number of Indigenous students attending university—up from 9,329 in 2007 to 12,595 students in 2012.

The coalition government is risking all of that by what it is doing to support for families and for students. The real risk is posed by the review David Kemp will be leading at the request of the Minister for Education. It will see demand-driven, uncapped placements for universities put at risk through cuts in the name of quality, because that is what the minister talks about all the time. I predict that we will see a different system brought in as a result of this review. They will make changes for one purpose only: to create elitist universities, and people from low socioeconomic backgrounds will not get the support they need to enter. We will oppose this position. The coalition is seeking to cut $2.3 billion from higher education.

In government we said we would make changes to the higher education system to slow the rate of funding growth to ensure that our Better Schools plan—which would have cost a total of $14.6 billion—was embraced. It was a way of enhancing the whole education system, from primary through to tertiary, by having students with better literacy and numeracy, better teacher development, better capital infrastructure and better ICT. We believe it was a great plan, but the coalition walked away from that unity ticket, and now we will not support them on this issue. We had one specific purpose before the election, and it was to fund our Better Schools plan, but the coalition will not support it.

On issues such as the extension of the annual childcare rebate limit, the coalition has once again betrayed families. The government will not support middle- and lower-income families. The best example of that must be the changes they intend to paid parental leave. We will see wealthy families enhanced by an extravagant and ridiculous paid parental scheme that comes at the expense of battling families in my electorate of Blair and elsewhere. We introduced a paid-parental-leave scheme in this country. Famous is the then Leader of the Opposition and now the Prime Minister said that our scheme would come in over his dead body. It was a sensible, moderate scheme which gave the average minimum wage for 18 weeks and which operated jointly with the baby bonus. The payments would have been periodic rather than the lump sum John Howard and Peter Costello insisted on.

Those opposite feigned concern for the cost-of-living pressures on families, yet one of their first acts in this parliament will be to get rid of the schoolkids bonus—$410 for a primary school student and $820 for a high school student. That means that a family living in Flinders View in my electorate with two kids, one going to Raceview State School and one to Bremer State High School, loses $15,000. What are the government doing here? They are pausing indexation rates. They are impacting on the cost-of-living pressures on families. In relation to other aspects of support for families, what they have done cannot be ignored. They are getting rid of the low-income superannuation contribution, affecting 20,900 low-income families, mainly women, in my electorate. As I mentioned before, 15,900 families in my electorate will be adversely affected by the loss of the schoolkids bonus.

Legislation like this adversely impacts not just Labor held electorates but electorates of those opposite. There are plenty of new people in this place who will have to go back to their electorate offices in their communities and explain why they voted to make life harder for struggling families. As I have said before, there are consequences to the way you vote in this place, and people will not forget it. At the next election, when members opposite look people in the eye and say, 'I made it harder for you to pay your school fees, to send your kids to
school, to meet your HELP costs and to meet your grocery and household costs,’ they will be asking for their vote. There are consequences to the way they vote. I ask them to reconsider their position. This is pernicious and punishing legislation and it should be opposed. (Time expired)

WYATT ROY (Longman) (11:08): Before I come to the detailed content of this bill, I would like to take up some issues raised by the member for Blair, who spoke before me. At the beginning of his speech he lectured this place about delivering budget surpluses, and he talked about consequences. I think it is important that we do not forget that the member for Blair was part of a government that promised the Australian people on literally hundreds of occasions that they would deliver a budget surplus, yet they actually delivered the largest deficits we have ever seen. As we come into government we inherit hundreds of billions of dollars worth of debt. So, if there are consequences for what you do in this place, I think it is incumbent upon us as members to be honest with the Australian people, and the member for Blair was part of a government that promised one thing hundreds of times and delivered the largest deficits we have seen as a nation.

The Social Services and Other Legislation Amendment Bill 2013 is a multifaceted instrument addressing a range of significant social, welfare and workplace reforms. These changes are indicative of the coalition’s plans not only to return Australia to economic prosperity but to restore a better supported, more functional and cohesive society, a nation where fiscal and social capital is spent wisely and not wasted as we saw with the previous, Labor government’s penchant for tipping hundreds of billions of dollars into partly formed thought bubbles such as overpriced school halls and pink batts.

The Social Services and Other Legislation Amendment Bill announces this government’s intention to apply sober perspective in its approach to problem gambling. The coalition does not for a moment back away from the contention that gambling is a major issue for some Australians, with those individuals and their families racked by trauma, upheaval and hardship of every description. But, at the same time, any response to gambling must recognise that many Australians gamble responsibly. Hardworking Australians trying to get ahead also rely on the sector for jobs, and legislation as it currently stands will place many venues under financial and regulatory stress.

In my electorate, these businesses include the Caboolture Sports Club, which has grown from humble origins to become the region’s premier community club, last year being named Brisbane north’s best club for the second time. The club opened its doors in 1997 after six local sporting groups representing softball, touch football, cricket, dog obedience, soccer and rugby union formed a single incorporation and raised the necessary finance. Since then the club has undergone rapid sporting and general membership growth. It boasts superb bistros, bars, shows and events, and the new gambling room features 275 of the newest gambling machines. However, Caboolture Sports Club proudly remains a not-for-profit organisation driven by rusted-on core values aimed at enhancing the community. The club each year gives more than $1 million in both cash and in-kind support to a variety of local service groups, sporting clubs, individuals, and charities. The Caboolture Sports Club takes responsible gambling seriously, with staff trained in the responsible service of gambling working in tandem with trained customer liaison officers who are on hand at all times to discuss help services available to their patrons.
This government is strongly of the view that counselling and research into problem gambling must be supported—not only in pursuit of effective help services for the gamblers but to better root out the causes of this social ill. This road map towards responsible gambling has been our consistent direction. It is a path with too much riding on it to be politicised. But duplicitous political expediency is exactly what underscored the previous Labor government's game of 'deal or no deal' with the Independent member for Denison. After the 2010 election, former Labor Prime Minister Julia Gillard agreed to legislate the member's proposals on mandatory precommitment technology for poker machines in exchange for his support. His backing was required for Labor to hang on to the office of Prime Minister.

Then, in a dramatic turn of events, the honourable member ripped up his contract to back the minority government when Ms Gillard refused to proceed with the policy lock, stock and barrel—yet another of the discarded pledges that littered the Rudd-Gillard era. 'We should be able to trust our politicians to keep their word,' the member for Denison said. 'Frankly, a deal is a deal.' The reason former Prime Minister Gillard covered herself in dishonour by walking away from her agreement of convenience was her realisation that mandatory precommitment was untenable in the eyes of industry experts and, for that matter, most Australians. Mandatory precommitment—forcing gamblers to subscribe to daily betting limits—is tantamount to a 'licence to play'.

Aside from its draconian application, it has been unmasked as an utterly flawed policy. Since the introduction of mandatory precommitment in Norway in 2009, the number of compulsive gamblers has almost doubled, with many of them shifting from poker machines to other forms of betting such as online gambling.

The coalition government's considered approach to gambling addiction is targeted at reducing the problems, not fanning them. We will not be enacting mandatory precommitment of electronic gambling machines. But we do support a national voluntary precommitment program as part of a broader plan to assist problem gamblers. We will work with clubs and gaming venues on a realistic timetable for the introduction of venue based, voluntary precommitment.

Another glaring inadequacy in the watered down version of mandatory precommitment that Labor retreated to was that it was thrust on the national agenda without adequate consultation with the state and territorial governments that actually carry the primary jurisdictional responsibility for gambling and also receive the revenue. Now we are left with a national regulatory system rubbing uncomfortably against those of the states and territories.

But under the amendments in this bill the government will remove from the National Gambling Reform Act references to a proposed precommitment trial in the ACT and further cut duplication by restoring state and territory control over withdrawal limits on automatic teller machines in gaming venues. In slashing red tape, the coalition is determined to install an overarching best-practice gambling policy that will deliver real, meaningful and measurable support for problem gamblers.

The National Gambling Regulator established by Labor, notwithstanding the fact that every state and territory has gambling regulators, will be repealed under this bill. The levies which were to support its functions will also be scrapped. Our amendments to the National Gambling Reform Act reinforce our election commitment to remove unnecessary regulatory
duplication and to work with industry, state and territory governments, academia and the community to sustain responsible gambling.

It is critical that any effective policy response to problem gambling be trained in all its forms—not just poker machines—or we run the risk, as we have seen in Norway, of chronic gamblers substituting one form of betting for another form. Funds freed from the shutdown of the National Gambling Regulator will be diverted into additional counselling and treatment services for Australians who have problems with their gambling and need understanding, genuine help and support.

This bill also proposes reforms to paid parental leave, or PPL, that will cut business a big break on the compliance burden they have suffered under the previous Labor government's scheme. Put simply, small businesses will no longer be required to do the government's hard yards on administering paid parental leave. The reform is not only significant, but emblematic of the coalition's drive to eliminate red tape and administrative costs that are costing the Australian economy at least $1 billion a year.

Currently, employers are forced to act as unpaid pay clerks after receiving an employee's paid parental leave entitlement from Centrelink. This system is unnecessarily complex and forces small businesses to bear the costs of the extra workload and of restructuring their payroll and accounting systems. Employers will still be able to opt in to manage PPL for their workers if both parties agree to do so. But, unless so specified, these changes will see parents paid their leave directly by the Department of Human Services from 1 March next year. This government knows that employers do not need extra paperwork, and they certainly do not need the cash-flow problems that have arisen as a result of the bureaucratic quagmire that Labor created with its parental leave scheme.

In fact, on top of the world's largest carbon tax, the departed Labor government instituted more than 40 other new or increased taxes and 21,000 new regulations. Local small businesses need the confidence to grow, invest and create jobs. But they cannot do this while being punitively taxed and regulated. The reason we still have people entering small business is that they desire autonomy and flexibility; they want to be the masters of their own fate. They certainly do not have human resources departments to cope with mountains of senseless paperwork. The more you stifle small business, the more you strike at innovation and creativity; you choke the potential of small businesses to become the big businesses of the future. That is why the coalition are steadfastly sticking to our program of dismantling unwarranted and excessive regulation. We know just how much it will help our local businesses to breathe and grow again.

These amendments to the administration of paid parental leave in this bill are an important antecedent to this government's new landmark paid parental leave scheme due to be given effect from 1 July 2015. Mothers will be provided with 26 weeks leave based on their actual wage instead of the current scheme paying 18 weeks at the national minimum wage. It means that more women will be eligible for PPL, that payments will be made over a longer period and that the overwhelming majority of women will receive a higher payment because it is based on real earnings, not an indiscriminate minimum wage. Those earning the average full-time salary for women will be more than $21,000 better off.

We are fast approaching a crossroads. Our ageing population and the rising associated costs of health, aged care and welfare pose an intergenerational challenge of epic proportions.
Women entering the workforce triggered the biggest productivity gain of the past 30 years. Today, there is no equivalent labour force impetus lying untapped. But over the longer term this government's paid parental leave scheme can only help defend Treasury coffers from the buffeting that is coming with demographic change. The coalition's scheme has been designed to keep women in the workforce. If more people are in better jobs, earning higher real wages, then—remarkably!—they pay more tax. Effectively, our PPL scheme is a productivity increasing measure.

Finally, I would like to briefly turn the House's attention to a matter close to my heart—the implementation of a genuine National Disability Insurance Scheme. This bill imparts a layer of security for some of our most vulnerable. It introduces measures that ensure the funding for reasonable and necessary support under a participant's support plan can only be used for the purpose of purchasing support. In effect, the amendments make NDIS amounts protected. They prevent third parties from recovering debts through garnisheeing NDIS participants' bank accounts that are kept for the sole purpose of managing their support funding. The coalition has an unflinching support for the National Disability Insurance Scheme. We will deliver the announced spending on the scheme and honour the agreements in place between the Commonwealth and the states and territories for its full rollout.

As I have said before in this place, improving disability policy was one of the prime motivators for my getting into politics. I have a close friend, Pat, who suffers from spinal muscular atrophy. I worked as his participation assistant. I have seen first hand the obstacles and roadblocks thrown up by an overly bureaucratic disability system, one that is focused on process instead of outcome. Australia's late, great Prime Minister Sir Robert Menzies envisaged a society made all the richer by its obligations to the most vulnerable. He said:

The purpose of all measures of social security is not only to provide citizens with some reasonable protection against misfortune but also to reconcile that provision with their proud independence and dignity as democratic citizens. The time has gone when social justice should even appear to take the form of social charity.

It is this spirit that the National Disability Insurance Scheme should capture, ensuring every Australian has equal opportunity to live a better, more dignified and more productive life. We all deserve our shot at the brightest possible future irrespective of circumstances. That is what the National Disability Insurance Scheme will deliver.

Ms MacTIERNAN (Perth) (11:24): Primarily, I want to focus on the portion of this bill, the Social Services and Other Legislation Amendment Bill 2013, that will continue the work of the Cape York welfare reform, which has been a spectacular success. I would like to get on the record a few things about that. I will raise one other issue, the decision to freeze the cap on the childcare rebate. That decision is incredibly regressive and highlights the absurdity of going with a super-deluxe paid parental leave scheme that will advantage the very wealthiest women in this community while at the same time effectively cutting the childcare rebate for families right across Australia.

I will talk primarily about the Cape York welfare trial and the proposal, which we support, in this bill to continue that. The trial has been very much the work of Noel Pearson. The
welfare trial, which commenced in 2008, has established some major achievements in those communities. A report into its effectiveness, which came out earlier this year, compared student attendance in those communities and tracked it against comparable Indigenous communities. It became quite clear that there was a very significant increase in attendance in schools across the Cape York Peninsula that could not be explained by anything other than the reforms that had taken place there. Very interestingly, there was also a significant drop in the amount of violence and assaults over the period of the trial, particularly at Aurukun. Two-thirds of the respondents felt that this reform had been very positive for the community; 52 per cent of respondents felt that people were trying to be better parents; 24 per cent felt that more people were trying to give up grog, smoking and gambling; and 33 per cent said they felt that there was less fighting between families.

I acknowledge the work of the member for Jagajaga in her role as minister for Indigenous affairs and the support that she gave to Noel Pearson to make these programs possible. They have been a great success. It is important that, when we see all of the developments that will come up over the next couple of years, we do not forget that it was Labor that was prepared to work with those communities and put that welfare reform in place. We are pleased that it is being extended, but I would like the credit to go where credit is due.

I can see that there has been major achievement in the educational development of children in Cape York schools. Again, this arises out of the vision of Noel Pearson and his team and their determination to trial a range of different pedagogical techniques to find one that really delivered for their kids. They came across explicit instruction and then moved into a more fully developed direct instruction model. That has turned around the academic performance of those kids. Many, many more children in those schools are now meeting the minimum benchmark. What is really pleasing to see is the number of kids who are moving well beyond those minimum benchmarks and performing at the higher level on NAPLAN.

I want this to be understood: this was an initiative. When one talks to Noel Pearson about this initiative, he talks about the support that he got from the member for Jagajaga, because there was resistance in the Queensland bureaucracy for them to go in and take over the management of the schools and put this new pedagogical practice in place. The then Indigenous affairs minister, Minister Macklin, was 100 per cent behind Noel Pearson and went into bat with the Queensland government to have control and responsibility for those three schools ceded to the Cape York group. Their performance has been nothing short of stellar. They went in there in a holistic way. They built the parents’ confidence and engagement, they built the attendances at the school, and then they came in with an instructional method that ensured that these kids were able to learn to read and write. Success breeds success. When these kids started achieving, when they started being able to perform at school, that encouraged them to stay on. This, in turn, improved attendances. It is a virtuous circle.

There are people, including the Minister for Education, who are really trying to rewrite this whole movement towards explicit instruction as some sort of left-right debate. I want to make it very clear that this is not part of a left-right debate. Indeed, it has been the Labor government that has supported the communities that have wanted to go down this path and provided them with the wherewithal to provide that instruction and achieve those excellent results. So I hope that we do see explicit instruction moving beyond Cape York. It is in
around six or so schools in Western Australia. A lot more interest in it is being gained. But, please, let us not trivialise this issue by making it some sort of ideological left-right debate. It cannot be that.

I am very pleased that the funding for that welfare reform which underpinned a whole raft of changes on Cape York is being continued. Again, I recognise the work of the member for Jagajaga in really being the force in government behind the support for that community.

Ms HENDERSON (Corangamite) (11:32): I rise to speak on the Social Services and Other Legislation Amendment Bill 2013, and I commend this bill to the House. This bill will aid the coalition’s election commitment to reducing the red tape burden and compliance costs on businesses by $1 billion a year. These unnecessary burdens are stifling our economy. If we can get rid of unnecessary red tape we can make our country more productive, which means we can have more jobs and a stronger economy.

As has been indicated the bill incorporates a range of important measures, and I intend to address some of the major features of the bill. They include adopting savings announced by the previous government, which shows that Labor says one thing in government and a very different thing in opposition. The sheer hypocrisy is on show for all to see. I find it extraordinary that the member for Blair has the gall to speak about surpluses. Where is the surplus from Labor? We never saw it. Over six years, what we saw was year after year of record deficits. I take the liberty to remind the House of those numbers: $27 billion, $55 billion, $48 billion, $43.7 billion, $19 billion and now $30.1 billion. Australians place real value on responsible economic management, and this is a shameful record.

In this bill we are tackling problem gambling by abolishing unnecessary red tape and duplication. Our bill will combine effective measures to help provide people who really need it. Electronic gaming statistics from Corangamite, the electorate I represent, show why it is so important that we get gambling legislation right. From July 2012 to June 2013, people in the City of Greater Geelong spent more than $108 million on electronic gaming machines. The people of Colac-Otway Shire spent more than $7 million from July 2012 to June 2013. People living in Surf Coast Shire spent more than $2.8 million in that time.

Gambling is a major problem for some people in my electorate. However, many people in my electorate also gamble responsibly. Many Australians rely on the sector for jobs, and the legislation Labor left will put many venues under financial stress. Labor failed to win a majority at the 2012 election, and the former Prime Minister Julia Gillard did a dodgy deal with the member for Denison to hold onto power. As part of that deal, Julia Gillard committed to introducing a mandatory precommitment system for pokie machines. Labor eventually stabbed the member for Denison in the back and walked away from mandatory precommitment because they realised what the coalition had said from day one: mandatory precommitment does not work.

The coalition government supports venue based voluntary precommitments for poker machines. We are committed to delivering meaningful support for problem gamblers while also cutting red tape. That is why we are introducing amendments to the national gambling reform legislation that will deliver on several election commitments. The government will also abolish the national gambling regulator, which Labor established despite the fact that every state and territory has a regulator for gambling. The government will also abolish the
supervisory levy. We believe that the states and territories are more than capable of continuing to regulate the gambling industry.

This bill also reflects our government's determination to ease administrative burdens on business by ensuring that the government does the paperwork for paid parental leave. Unlike Labor, we understand that red tape costs businesses money. The extra burden of administration duties is one that most employers can do without. Businesses will no longer have to act as paymaster of the Commonwealth government's paid parental leave scheme unless they choose otherwise. Because we recognise that small business has been struggling with red tape, we are moving to reduce the compliance burden on small business in our first 100 days. The coalition government will ensure small business has the time and resources to invest in their business success, rather than doing the government's work.

I am incredibly proud of our genuine paid parental leave scheme which reflects a genuine commitment to families, to women, to workplace productivity and to 26 weeks paid leave at the real wage. The amendment that Labor is proposing will add more compliance complexity and shows that Labor simply does not get it. It is proposing that employers with more than 20 employees will have to bear the administrative costs of paid parental leave. These are small businesses, the engine room of our economy, and it is time Labor understood that small business needs support, not more burdens. I note that the member for Dunkley is in the House today—a small business minister in cabinet. This reflects our genuine commitment to the small business people of this country.

I now turn to measures relating to Labor's 2013-14 budget. Unfortunately, Labor's reckless spending has left the budget in a dreadful state. Because of this the coalition has little choice but to match a number of savings made by Labor. A number of measures in this bill will help fix Labor's mess. But it seems that members opposite are in denial about what they did when they were in government. This is to be condemned. I refer to our changes to the family tax benefit and the eligibility rules. This change will see family tax benefit part A paid to families only up to the end of the calendar year in which their teenager is completing school. Eligible young people will still be able to access youth allowance to help them transition from school into work or post-secondary study. They will still have to participate in work, job search activity, study or training. Youth allowance remains the most appropriate payment to help young people transition from school into work or post-secondary study. This bill fixes Labor's failure to make the legislative changes required to implement this savings measure of $76.6 million over four years.

We have also committed to saving $80.5 million over three years by ending late registrations for the pension bonus. This measure will tighten the rules for certain payments to be made to people outside Australia. The bill will require age pensioners to have been an Australian resident for 35 years during their working life to receive their full means-tested pension if they choose to retire overseas or travel overseas for longer than 26 weeks. This replaces the current 25-year requirement. This will bring Australia into line with a host of other international systems and make the system fairer.

We have little choice but to match Labor's savings measure to maintain the childcare rebate annual limit at $7,500 for three more years. The bill fixes Labor's failure to make the legislative changes required to implement this savings measure. I remind the House that we have inherited Labor's budget deficit of $30.1 billion and the Australian people have put their
faith in our government to restore Australia's finances. Last week I visited the Millville Child
Care Centre in Colac in the western half of my electorate. I spoke with the director, Cathy
Thompson, and her staff, and I really learnt a lot more about the pressures that early educators
are under. We are committed to ensuring families have access to high-quality, affordable
child care that meets their needs. This is why it is a priority for this government to have the
Productivity Commission conduct an inquiry into child care and early childhood learning. I
welcome this review.

It is absolutely extraordinary that members opposite, including the member for Perth, are
opposing this measure. This is an extraordinary display of hypocrisy. Labor took $105.8
million in savings out of the budget over three years, banked the savings, failed to make the
legislative changes and is now opposing this measure. It is trying to wipe history. It is trying
to lure the Australian people into thinking this never happened. But we do not forget. I
reiterate just how important it is for the federal government to repair the budget and remove
red tape and unnecessary regulation. The measures will boost confidence and help to improve
productivity, which will help the people of Corangamite and the whole of Australia. I
commend the bill to the House.

Mr BRENDAN O'CONNOR (Gorton) (11:43): I am very happy to speak to the Social
Services and Other Legislation Amendment Bill 2013. I would like to start by responding to
some of the unreasonable claims by the member for Corangamite. Firstly, the member for
Corangamite would have you believe that there was not a global financial crisis. In reference
to the deficit and the debt this country has, one must compare where we found ourselves in
confronting the biggest economic challenge in the last 70 or more years with where we are
now placed compared to comparable countries within the OECD.

I had the good fortune as the then minister for employment to attend the G20 in Russia
earlier this year. From speaking to my counterparts in those countries, I learnt how they
looked upon Australia and our response to the global financial crisis. They asked: 'How did
you do it? How did you ensure that unemployment was so low? How did you ensure that your
debt as a proportion of GDP was one-tenth of the mean average of OECD countries? How
were you able to do that?'

So let us not have any misleading or misrepresentations by those opposite that we are in a
difficult situation economically. Our economic fundamentals are fine. All we want to do is
ensure that those now in government do not ruin them. But let us remember: we have low
debt compared to the OECD average—one-tenth of the mean average of OECD countries; the
second lowest unemployment rate; and 14 per cent economic growth since the global
financial crisis. One of the fastest rates of economic growth in the world since the global
financial crisis happened under the previous government. So, try as the former opposition
might to pretend otherwise now they are in government, they have been left with the
fundamentals of our economy in good shape.

I also want to pick up on a point made by the member for Corangamite in relation to the
elevation of the Minister for Small Business to cabinet. I think that is a worthy thing. But,
again, let us not have any rewriting of history here: it was the previous government that
appointed the minister for small business to cabinet after years of that ministry not being in
cabinet under the Howard government. Let us not have any misleading or misrepresentations
by those opposite. I am glad to see that that portfolio and my good friend the Minister for
Small Business are in cabinet, because of the importance of small business to our economy. There are more than two million small businesses in this country, who deserve proper representation around the most important table of government that we have in this country. So let me just put those matters on the record. You can speak from your government notes all you like, but try to keep it a little bit honest and a little bit real, I would suggest to the member for Corangamite.

In relation to the bill that is before us, there are some measures in it that the opposition and I do support because they are sensible measures and they have been considered. There are other measures that have been considered and they go to a number of areas. They are not sensible, they are not fair and they are not warranted, and I think, therefore, that the government should rethink inflicting some of these provisions on those in our community.

Let us just remember what we have seen already in this place, very recently, from this government. For example, under the attempt to repeal the minerals resource rent tax, there was a small provision in the bill to scrap the schoolkids bonus, affecting millions of families in this country who might be doing it a bit tough, particularly in buying things for school. Whether it is for books or school uniforms, $410 for a primary school student or $820 for a high school student is an important sum of money for families that are dealing with cost-of-living pressures. That is being scrapped by this government, which has no regard for the concerns of ordinary people, whether they live in Corangamite or elsewhere. I would like to know how the member for Corangamite will explain to her constituents why they will not be receiving the schoolkids bonus any longer, once this government repeals that very important measure. It meant $15,000 per student over the school years, so that will have a big impact on families in Corangamite and, indeed, in all electorates across our nation.

There are some other measures that we looked at that we are now concerned about because the basis on which we introduced them at the time was to fund the education reforms that we had put in place. We were looking at a measure in relation to the student start-up loans that was going to provide funding for Labor's Better Schools Plan. What we have seen in the last week is an embarrassing situation for this government. Firstly, this government has fundamentally repudiated its position before the election, turning its back on its commitments to the Australian people after the election. In the last week, we have seen a government that was in denial and then a government seeking to scramble its way out of trouble. But let us just recall what the Prime Minister and the Minister for Education said of this measure prior to the election. On 29 August this year, the minister said:

… you can vote Liberal or Labor and you'll get exactly the same amount of funding for your school …

On 2 August 2013, the Prime Minister said:

As far as I am concerned, as far as Christopher Pyne is concerned, as far as the Coalition is concerned, we want to end the uncertainty by guaranteeing that no school will be worse off …

A further quote from the Minister for Education in The Sydney Morning Herald on 16 August 2013 is:

… no school will be worse off, whether it is a Liberal or Labor government in the next term.

Well, we know what has happened since; this government has turned its back on that commitment. Despite the government's efforts, the embarrassing backflips, to cover up their dishonesty and mendacity, they are not in any way providing the resources they said they
would provide to schools across the country. For example, the efforts to provide support to state governments come with no attachments—in other words, no conditions and, therefore, those governments may take the money out as the Commonwealth puts it in. The fact that there are no conditions attached to that funding means that those state governments need not provide resources to those schools and that we will not see the reforms that are required to ensure that our education system is improved. That is a very shameful thing but it is not surprising given the history of the political party that is now in government in relation to education.

I return to the provision I referred to earlier in relation to the bill. As I said, we have a concern about the way in which this provision operates. This provision will hurt students. It is not money that is going to be saved to provide to the education system. There is no basis upon which this measure should continue. For that reason, there will be some amendments to the bill in the other place to ensure that those who will be adversely affected by some of the measures in this bill can be protected against the government, who, as I have said, have shown such scant regard not only for their commitments made prior to the election but for the people who will be affected by this bill.

Mr TUDGE (Aston—Parliamentary Secretary to the Prime Minister) (11:52): I rise to speak on one particular aspect of the Social Services and Other Legislation Amendment Bill 2013—that is, the continuing income management as part of the Cape York Welfare Reform trial, which is a cost of $4.2 million over two years. This is one measure among a number of measures. I have a particular interest in this measure for two reasons. Firstly, I was intricately involved in helping to design the Cape York Welfare Reform trial as deputy director of Noel Pearson's Cape York Institute. I was there for several years when this was being designed and I helped to oversee the design. So I have a deep interest in seeing it progress and being implemented.

Secondly, as Parliamentary Secretary to the Prime Minister my responsibilities now include Indigenous affairs. We are looking at all of the reform measures that have been implemented in Indigenous communities and assessing what has been working and what has not. For those who do not know, the Cape York Welfare Reform trial consists of a number of components, but the flagship component of the trial is the Families Responsibilities Commission. This consists of a number of parts. To start with, it consists of welfare payments being conditional upon a number of measures being met. If someone were to receive welfare payments in the four trial communities in Cape York where the Families Responsibilities Commission is in operation, they must send their child to school, they must look after their public house if they have one, they must keep their children free from neglect and they must remain free from trouble with the police.

If a person breaches one of those conditions, they will then be triggered to the Families Responsibilities Commission. David Glasgow, a retired magistrate, is chair of the commission. It also has local elders who sit alongside him. If, for example, a person has not sent their child to school, they can call that individual in front of the commission and those elders and the chairman can ask a person to improve their behaviours in that area. They can send that person off to get assistance for one or two things and, if that still does not work, they have the ability to income manage that person's welfare payments if they still are not doing the right thing having received a couple of warnings. This very innovative model is
specifically aimed to address issues in such as school attendance and, importantly, to restore some Indigenous authority so that local elders can stand up and take responsibility for things going on in their communities. That has occurred through the Families Responsibilities Commission. This core component in the bill allows for the continuation of income management for a further two years.

We can assess the Cape York Welfare Reform trial by looking at the evaluation report from 2012. That report, which is a lengthy document, is quite instructive. The executive summary concludes by saying:

… the evaluation after only three years of the trial of welfare reform points to a level of progress that has rarely been evident in previous reform programs in Queensland’s remote Indigenous communities. It is quite a powerful summation of how the welfare reform trial has been progressing. When they examine particular measures—for example, school attendance—they point to how a school such as Aurukun, which had one of the lowest school attendance rates in Queensland, has had considerable improvement. Indeed its school attendance rose from 46.1 per cent in the first term of 2008 to over 70 per cent in 2012. I believe it is now up to 76 per cent. They still have a long way to go to get school attendance up to 95 per cent but it shows a substantial improvement. The evaluation report puts that down to the operation of the Families Responsibilities Commission, which is the core flagship measure in the welfare reform trial.

It is worth noting that the then member for Longman and minister for Indigenous affairs Mal Brough was critical in getting the welfare reform trial up and running from the Commonwealth perspective. He should be thanked for his work. Also, successive Labor and Liberal Queensland governments supported the trial, as did the Labor government under Kevin Rudd and Julia Gillard. The welfare reform trial in the cape is not without problems. The evaluation report goes through some of those issues and where progress has been made. Many people refer to the fact that it has been an expensive trial. Nevertheless, on the basis of the evaluation, the trials have been successful and there are many areas worth continuing at least for a couple of years. A recommendation in this bill is to continue income management support mechanisms which support the operations of the Families Responsibilities Commission. Passing this measure will enable the operation of the Families Responsibilities Commission to continue for another two years. I think that is a very worthwhile initiative.

Mr Bandt (Melbourne) (11:59): The Social Services and Other Legislation Amendment Bill 2013 does many things and many of those things are very bad. I just want to focus in my contribution on two of those. One concerns gambling. About this time last year I was able to stand up in this chamber and speak in favour of the National Gambling Reform Bill. That was flawed legislation. It did not go nearly far enough in fighting the harm that pokies cause in our communities. The gambling lobby's voice was loud and the voice of those whose lives had been ruined by poker machines was muted. However, the bill made some modest reforms and represented progress. It set the precedent of bringing the industry under Commonwealth regulation for the first time.

Simple measures such as limits on ATM withdrawals at pokies' venues have real potential to slow down the losses of problem gamblers. The linking of poker machines and the fitting of precommitment technology opened the door for mandatory precommitment to be switched
on in the future. And the creation of a national regulator provides a framework for future, more meaningful reform.

Now, we are only days into the government's legislative agenda and here we find the misleadingly-named Social Services and Other Legislation Amendment Bill. It would be better called the 'Poker Machine Industry Christmas Present Bill' because it is a pure gift to the gambling industry. I would personally be very surprised if the industry did not have a direct hand in drafting this bill. It winds back every substantial reform that was achieved, after such a struggle last year. The national regulator—gone! ATM withdrawal limits—gone! Fitting machines with precommitment technology and networking them together—gone! This bill replaces hundreds of pages of careful regulation with a single motherhood statement about working with the states on voluntary precommitment.

I challenge any member of this House to bring up the issue of pokies with their constituents. Pokies are a blight on Australia. People know it and they will tell you so. Wherever there is disadvantage and social exclusion the pokies are to be found in abundance. They suck money out of the communities that cannot afford it. They draw parents away from families. They are designed to be addictive and they are. Addiction destroys lives, but it also raises revenue. The clubs and hotels that host the poker machines are themselves addicted to that revenue and they want it, no matter what the cost to the community.

Problem gambling is a serious issue in this country. Australians are amongst the world's most prolific gamblers. Billions go through poker machines every year and it is estimated that 40 per cent of it comes from problem gamblers who can ill-afford the losses that they are incurring. The Productivity Commission estimated the social costs of problem gambling to be at least $4.7 billion a year nationally. A recent report estimated the social and economic costs in Victoria—my state—were between $1.5 billion and $2.8 billion in 2010-11. I would suggest that those numbers really do not capture the harms of family disintegration, of people who turn to crime to feed their addiction or of people who commit suicide.

So I ask the House: how does it serve the community to unwind even the modest reforms that we were able to put in place last year? Who benefits if poker machines are, once again, free of any constraints on who can play and for how long? Who benefits if venues are free to remove ATM limits? It is not the people of Melbourne. It is not the people in the community who voted for all of us here. They do not benefit from poker machines that can take more of their money faster and without limits.

The pokies lobby waged a ferocious campaign against reform by the last government. It was based on scaremongering, exaggerated claims and outright lies by the dozen. I regret to say they were largely successful in scuttling meaningful reform. But they are never satisfied. And, with such a good friend now in The Lodge, who can blame them? This bill gives them all they could ask for and more, and it completely sidelines our civil society who were so engaged in this issue.

Last year's reforms were hard won. They came at the end of a long and detailed national debate. They required careful consultation with the Greens and my colleagues on the crossbenches. Clubs, manufacturers, churches, gambling reform activists and individuals who had suffered from addiction all had a say in the debate. Although the end result was far short of where it should have been, Australians knew their parliament was tackling the problem of pokies harm.
But what about the bill before us? To whom did the government flag this major change? Who knew this was coming, hidden as it is in an innocuous-sounding omnibus bill? This can only be described as a transparent attempt to sweep a major reform under the rug, perhaps to get it done in the rush before Christmas and in the hope that no-one notices.

If the government are truly proud of this change, this sop to industry, then let them come out and announce it. Let them stand there alongside the pokies lobby and proudly announce that they are winding back every step that was taken towards putting some checks and balances on poker machines. Let them face affected members of the community and people in their own electorates who have suffered as a result of the unchecked proliferation of minicasinos throughout the country.

The Greens are proud to stand for tougher action on pokies because they affect people's lives and hurt our communities. For that reason alone, we will be voting against this bill. If the government are proud to take such a stand against pokies reform, if they want more pokies taking more money, more quickly, from our poorest communities, then they should at least have the guts to come out and say it.

But it is not just that that one finds in this bill. The second area that I want to pay attention to is the scrapping of the Student Start-up Scholarship—student start-up loans—and the significant impact that that will have on people's ability to attend university.

The National Tertiary Education Union has made the point that these changes will impact most significantly on students from disadvantaged backgrounds. By definition, the only students eligible to convert student start-up scholarships to loans are those eligible for some form of student income support in the form of youth allowance, Austudy or Abstudy and are already financially disadvantaged.

As I said yesterday in this place, my father was lucky enough to be able to go to university because there was no financial barrier to him doing that. That was significant because he came from a family where his dad worked in the post office all his life and his mum did not earn a wage. My dad was able to go to university because there were no financial barriers in place. It was possible for someone from a working-class background to go to university and know that they were not going to face crippling debt and that the fees were not so high that it was a barrier to them entering. That is a crucial part of Australian society that we should defend. Everyone should have the right to go to university no matter how much they earn and the public, if they believe that, should have a role in supporting people to go there.

What we know is that people are in crippling debt. There are an enormous number of students in my electorate at the moment who are facing the kinds of challenges that not even I faced when I went to university. The cost of renting in inner city Melbourne can be more than the amount of your youth allowance alone. People are already working 15, 20, 30 and sometimes 35 hours a week just to make ends meet and they are reliant on government support. On top of that, many people are graduating from their degrees with something akin to a small-sized mortgage and it is no wonder that, while they are at university, the personal debts in which they find themselves in order to make ends meet are growing and growing. So we should be doing everything we possibly can to stop students falling further into debt and to relieve the pressure on students, not taking the measures that this bill takes.
There are a number of other objectionable measures in this bill and my colleagues will deal with those when the bill proceeds to the other place. But, as this bill is one nicely giftwrapped present to the pokies industry just before Christmas, I and the Greens will not be supporting it.

**Mr CRAIG KELLY** (Hughes) (12:09): I rise to speak on the Social Services and Other Legislation Amendment Bill 2013. In the short time available, I would like to concentrate on one particular aspect of this bill which eases the burden on small business.

**Mr Billson:** Hear, hear!

**Mr CRAIG KELLY:** I am glad to see our very effective and efficient Minister for Small Business in the chamber. I am glad that we have a small-business minister in cabinet and that we have had one small-business minister in place for a considerable period of time doing a very good job, unlike the previous government, where we saw a revolving door of small-business ministers.

A very important thing that this bill does is ease the administrative burden on small business. The paid parental leave legislation will be amended to ensure that, from 1 March next year, employees will be paid directly by the Department of Human Services unless an employer opts to provide paid parental leave to its employees directly. This removes some of the red tape from our small-business sector. It is a small step but a small step on a long road that we must take.

If we look at the financial mess that the nation is in, with the debt mountain that we must now repay, the interest alone is close to $800 million every month. That is $800 million our nation must find to pay the interest only on the debt legacy that the previous Labor government has left this nation. That is why small business is so important, as it has been throughout our history. It is small business that creates the jobs. It is small business that creates the new innovations and enables our society to progress and grow that prosperity.

In looking at what we need to do in the years to come during this government's term and future terms, we come to the 'forgotten people' speech by Sir Robert Menzies, made on 22 May 1942. To put that speech in some historical context, it was made only a few weeks after the Battle of the Coral Sea and before the Battle of Midway, so the eventual outcome of the Second World War was at that time unknown. Menzies had the vision in that speech to set forward the important goals for the future of Australia. He finished the speech with these words:

…what really happens to us will depend on how many people we have who are of the great and sober and dynamic middle-class—the strivers, the planners, the ambitious ones. We shall destroy them at our peril.

It is interesting, therefore, to look at how many were destroyed during the previous, Labor government. I will give just a few numbers to show the damage that this previous Labor government did to our small-business sector.

After the Labor government left office, despite the population growing substantially over that period and the economy still ticking over, there were 3,000 fewer small businesses employing people. Three thousand small businesses had actually vacated the economy and were no longer employing people. That equated to the incredible number of 412,000 fewer people being employed in the small business sector. That means that 412,000 fewer Australians were being employed in the small business sector than when that government
took over. We have seen the small business sector of the community contracting. Their share of employment has decreased. Before the previous government came to office, the small business sector created 53 per cent of our nation's jobs. After just six years of reckless policies and indifference to small business, we saw that collapse to 43 per cent. These are trends that we must reverse. This bill is a small start in doing that.

What we want is for people who operate small businesses—who often work a 10-, 12-, 14- or 16-hour day, or longer—to spend their remaining time after coming home to think about more innovations for their businesses, to think about how they can improve their businesses and to think about what experimentation they can do to make their businesses more competitive, more efficient and more productive. But what the previous Labor government did was strangle them with red tape. That meant that when a person who operates a small business came home after their long day the previous Labor government wanted to give them more red tape. They said: 'Here you go, now you have to fill out your employees' paperwork for the Paid Parental Leave scheme. You will not only be an unpaid tax collector for the nation but an unpaid administrator of the Paid Parental Leave scheme.' The coalition has said that this is a detrimental policy.

That is why what we are introducing in this bill reverses that. It removes that red tape, it removes that burden off that owner of a small business. That person often puts their home and their life savings at risk to create employment for others. This bill takes that burden off their backs and enables government to administer the Paid Parental Leave scheme. It is a small step but it is an important small step for this parliament.

The other issue that this bill deals with is encouraging responsible gambling. There are some in this House on the crossbenches that have a particular concern with the issue of problem gambling, and rightly so. Problem gambling is an issue in our society. But the methods put in by the previous government were nothing more than a fig leaf. We saw the member for Denison, who I note was in the chamber, come up with proposals. He believed that he had a signed agreement for his support for the previous government. That was ripped up, thrown away, discarded. We saw things brought in by the previous Labor government that simply did not work to affect the issue of problem gambling.

There was a trial of mandatory precommitment in the ACT. That was a complete farce. How can you have a trial of mandatory precommitment in the ACT when a punter or someone who is interested in gambling can simply go across the border to Queanbeyan where it does not apply? This is why it is best to repeal Labor's measures, which were simply a fig leaf that did nothing about the issue of problem gambling, and start again from a blank page.

When we start with that blank page, we need to recognise a few basic points. One is that many people in our society get pleasure from the recreational activity of gambling. We cannot condemn all these people. Who are we to say that the activities of someone who enjoys having a bet on a poker machine or at the horse or dog races are less socially desirable than the activities of someone who collects stamps or who enjoys spending their time knitting? We must recognise that it is a legitimate activity.

In recognising that there are also problem gamblers, we need to look at the problems caused by the internet. Today, almost everyone has a mobile casino in their pockets. Anyone walking around with an iPhone can simply pull their iPhone out of their pocket and gamble online. These are the challenges and the issues that we must tackle in this next parliament.
We also need to consider that the restrictions that we are putting on the gambling industry to do with the number of poker machines can be counterproductive. They can increase the margin, for it is the rate of return to player that ultimately makes a poker machine something that a problem gambler can lose a lot of money on. We need to look at issues of competition. Could it be that, if there were more competition between clubs and pubs in the rate of return to players, that would lift that rate of return and that might be the best way of reducing problem gambling?

I will not delay the House longer. I know that there are other members who wish to speak on this bill. There are many important points in this bill. It starts to clean up the mess, which is what the coalition must do during this term of government. I commend the bill to the House.

Mr GILES (Scullin) (12:20): This is wide-ranging legislation. It contains many provisions that will significantly and in many cases disproportionately impact on constituents in the electorate of Scullin, perhaps those measures relating to Cape York being notable exceptions.

I say at the outset that Labor will always support prudent savings measures; it always has. We recognise that the resources of the state are finite. We are lending our support to a number of measures contained in this legislation. We should not and we will not hide from the hard work of making distributional decisions to ensure that resources are allocated on the basis of need and to achieve wider social goals, most particularly in the context of this legislation and perhaps some of its predecessors, support for Better Schools and support for the Early Years Quality Fund.

The tenor of the second reading speech in relation to the social security aspects of this legislation was pretty interesting. It was absent a sense of purpose. It effectively talked of savings for savings’ sake or perhaps cuts for cuts’ sake. Not all of the measures contained in the legislation are sensible or still reflect those wider resource allocation priorities and wider social goals. We see in this legislation significant threats to equity, which are troubling to me and troubling to many constituents of the Scullin electorate.

I notice the member for Jagajaga has foreshadowed that Labor will move to omit those measures from this legislation, including those relating to student start-up loans and the extension of the annual childcare rebate limit, which would make unfair and unwarranted cuts at a cost to Australian students and families. An amendment has also been foreshadowed, as I understand it, in the other place to limit the application of changes to the government’s paid parental leave, in line with Labor’s policy. In the limited time available to me and recognising that this legislation deals with many things, as the member for Melbourne said, I will focus my contribution on a couple of aspects of the legislation: those proposals in relation to the childcare rebate indexation, and in relation to paid parental leave. I will also briefly touch upon treatment of the student start-up loans.

Labor has always been a strong supporter of increased support to Australian families, especially all of those struggling to meet the costs of child care. Labor, when in government, increased the childcare rebate from 30 per cent to 50 per cent. This government, on the other hand, has admitted it is planning to freeze the childcare rebate gap until 2017. This is a broken promise from a government that told us before the election there would be no broken promises and no surprises. It compounds the government’s plans to walk away from $300 million for low-paid early-childhood educators—critical providers of child care. This makes
an absolute mockery of any claims that this government wants to make child care more affordable to families and, more generally, of its interest in meeting the great productivity challenge of boosting workforce participation, to which affordable, available and quality child care is absolutely critical. It also completely undermines the government's review of child care.

The actions of this government, in this respect—as in so many others—speak far louder than its words, particularly those words spoken before 7 September. I think of the comment, said in May of this year, of the now minister for families about the rebate's indexed changes being something that would hurt families. These are actions which will push up childcare costs for Australian families already struggling to make ends meet. I cannot see how this government can justify freezing indexation when it has repeatedly argued that it would have a devastating impact on families if it did not implement the Early Years Quality Fund. It is a cut without any trade-off.

I turn now to the issue of paid parental leave and the changes. I am very proud that Labor, through the member for Jagajaga, introduced Australia's first Paid Parental Leave scheme—a fair scheme, it is very important to note. This is particularly relevant in the present context, as the House considers provisions that will increase the financial burden on Australians of very limited financial means. Now is a good time to once again raise this fundamental question of fairness in the allocation of finite resources of the state according to need and the broader social purpose. The scheme introduced by Labor was designed to be simple for business and the recent evaluation found that most employers have found their role straightforward and easy and that compliance costs have been minimal. Labor has been listening to small business—and I am very pleased that the minister is here to do some more listening on this point—as has the Productivity Commission, in formulating our initial response and making sure that the scheme continues to work most effectively and deliver on its promise. That is why Labor announced during the recent election campaign that it would adopt a policy that would enable businesses employing fewer than 20 employees to effectively streamline the administration of this scheme. It was a balanced response; it was a proportionate response. Under this policy, small businesses would be able to have Centrelink make PPL payments to their employees whilst on parental leave.

The critical difference between this and what is before the House is that this reform would maintain the important, I would even say fundamental, connection between a worker and their employer while they are on leave, while achieving the often stated aim of this government of cutting red tape for small businesses that need it the most. It is about balance, and Labor's policy got the balance right. We should not be abolishing the role of the employer in administering paid parental leave. This is very much the thin end of a very difficult wedge. This would abolish the relationship between an employee and their workplace for the period of their leave. The coalition is very fond of speaking of paid parental leave as a workplace entitlement in contrast to a welfare payment, but this turns that proposition squarely on its head.

The employer role is such a vital part of the Paid Parental Leave scheme, especially for small businesses, given the nature of the relationships they often contain. The employer role creates that fundamental link between employers and staff who take time off work. It is so important that, through this time off, staff retention rates can be a factor in the relationship
being worked through directly. While the employer is on leave, the connection can take place. Conversations can continue. These are very significant events in an employer's life, when the employer will be one of few for the relevant business, and they can carry on. Retention and the workplace relationship would be enhanced by maintaining this vital relationship.

Our policy position affirms that taking leave from work around the time of birth is business as usual. It should be now accepted as a part of life, a common part of work and family life. It is vital in maximising work and family arrangements and allows employers and employees to agree on the many and varied ways that complement the PPL scheme, that build cooperative and dynamic workplaces. Fundamentally, Labor's approach to this PPL scheme and its application to small business supports and reinforces workplaces that are cooperative and fair and boosts workplace participation. Labor understood before the election—and understands now—the need to balance these competing, although not irreconcilable, differences with the needs of small businesses. The evidence that Labor got the balance right is already before us in the evaluation, but perhaps more profoundly in the lived experience, for around 300,000 women and 37,000-odd men and others who have received dad and partner pay—also in the lived experience of their new families and of their employers, who are reaping and would continue to reap the benefit. This legislation does not get the balance right. It is something that needs to be attended to.

I turn briefly to the question of student start-up loans and acknowledge that converting student start-up scholarships to loans was an initiative contained in the 2013 budget. Of course, it was a measure with a purpose: to fund Labor's Better Schools Plan to deliver equity in education. The coalition said, as we have heard in this place many times in recent days, that they were on a 'unity ticket' with the Labor Party on schools funding. That is now clearly not the case. The government has refused to commit the nearly $15 billion in additional funding for schools. We have also had no assurance that states will not cut schools funding. The coalition disparaged those cuts in government and are now embracing them without any sign that those funds will be hypothecated for education. By converting the start-up scholarships to loans and through other measures that have already been discussed in this place, the coalition is seeking to cut $2.3 billion from higher education.

The Student Start-Up Scholarship was a Labor initiative to assist students with the upfront costs of study such as textbooks and specialised equipment. It was an initiative that had been sorely lacking and provided a real incentive to meaningful participation in higher education for many. They went hand in hand, of course, with many other Labor initiatives to help end inequity in our higher education system. I am proud of Labor's record in removing barriers to education and our very strong record of investing in higher education, but this is a second-rate deal for school students from a government that has broken its promises on education, and it remains potentially a very significant deterrent to equity being fulfilled in higher education. I am deeply concerned about its impact on students from disadvantaged backgrounds, particularly many in Scullin who aspire to take up their place in higher education.

This government, it is clear, is stacked with adherents to David Cameron's Big Society agenda, which is, of course, just a nice-sounding way of planning to cut services and, more broadly, the social safety net. First amongst them is, of course, Minister Andrews. The notion is that society will somehow—although precisely how is never explained—pick up the slack and no-one will be worse off, regardless of changes to the state's provision of welfare. But, as
people in the United Kingdom now know after a Conservative recession they did not have to have, the Big Society is simply a big con. It did not work there and it will not work here.

Elements of this legislation—those elements that are opposed by Labor—may fairly be seen as a step in the direction that has failed in the United Kingdom: savings for savings' sake, cuts for cuts' sake, a retreat from any concern for fairness and equity. People in Scullin will be disadvantaged by these unfair cuts if this legislation is passed unamended.

Mr RIPOLL (Oxley) (12:32): I rise to speak on the Social Services and Other Legislation Amendment Bill 2013 and I note at the outset that this is a bill which contains a very large number of changes and amendments, most of which are unrelated. They do relate in some part to social security, to welfare, to families and to small business and cut across a whole range of services. These are services that are provided not only to individuals but to families and small businesses and that have a very large impact on the way that families will have future benefit from a range of government services, as would individuals, students and small businesses and the way that these services are administered. Labor has made it clear that, unlike the government in opposition, we are not going to be oppositionalist. We will support good changes where they have a benefit to the community. We will very much support changes to small business areas where they are of benefit. We will support the government where there is a need for those changes, particularly where Labor in government were already making those changes or moving down that path. We certainly will not support changes which hurt families, hurt small business, hurt individuals, hurt students, diminish the capacity of families to provide for their young students or in any other material way do not benefit the community—do not have a benefit to the people they are intended to support.

There is an enormous difference between the way we will act and the way this government acted in opposition: opposition just for opposition's sake. You will not find that from us, and it will be demonstrated through these bills today. We will support the good elements of these bills because we believe that, where there is good being done, it should be supported. But we also believe that, where there needs to be amendments, oppositions should play their part and should do a good job of it. A good democracy, it is often said, works best when you have a strong government and a strong opposition. It does not work when one side is not operating as they ought to be.

This bill contains many measures, and I want to run briefly through what those measures are and then what our positions are on those particular changes. As I said at the start, this bill contains a very large number of mostly unrelated measures which include continuing income management as part of the Cape York welfare reform. The bill amends the Social Security Act 1999 to enable a two-year continuation of income management as part of the continuation of the Cape York welfare reform. It also contains a number of family tax benefit part A eligibility rules, particularly in terms of the eligibility for family tax benefit for children age 16 years and over. Currently, the FBTA can be paid for children age 16 to 17 years who are undertaking or have completed secondary study and dependant full-time secondary students until the calendar year when they turn 19. These amendments limit eligibility for family tax benefit part A to families with children age 16 to 19 years. There are also a number of exemptions that apply to children who cannot work. The schedule also removes the child cut-out amount or income limit.
There are also changes to the period of Australian working life residence. As a result of the measures contained in this bill, from 1 January next year age pensioners and certain other pensioners with unlimited portability will be required to have been Australian residents for 35 years during their working life from the age of 16 to pension age to receive their full, means tested pension after 26 weeks absence from Australia. The current requirement is for 25 years. This will not apply, of course, to agreements outside of Australia that we have with Greece and New Zealand. Pensioners who are living overseas immediately before 1 January will continue to be paid under the current 25-year rule.

This also contains a number of interest changes to apply to certain welfare debts—in particular, how this applies to Austudy payments, fares allowance, youth allowance payments to full-time students and apprentices, ABSTUDY living allowance payments and right across a range of those payments. The rate of the interest charge will be based upon the 90-day bank accepted bill rate plus an additional seven per cent, as is currently applied by the Australian Taxation Office for other debts in this area. In the last four years, this rate has averaged 11.07 per cent and currently stands at 9.6 per cent. These are significant changes which will have a deep impact.

There are also significant changes to the Pension Bonus Scheme. From 1 March 2014 the bill will end late registrations for the closed Pension Bonus Scheme. The scheme provides a lump sum payment to people who have qualified for the age pension, the age service pension or the partner service pension after reaching pension age or qualifying for the income support supplement. This will also have a marked impact.

There are also changes to the extension of indexation pauses for family tax benefit A, family tax benefit B and family tax benefit supplements. The bill will extend the indexation pauses on certain higher income limits for three further years, until 30 June. This limits the amount of growth that people would have otherwise had in this area. This will apply to the family tax benefit part B primary earner income limit. As you can see, these are significant changes.

There are a range of changes to the rules for receiving payments from overseas, and deeming rules will be extended to account based income streams. The bill will align the income test treatment of account based superannuation income streams for products assessed from 1 January 2015, with the deemed income rules applying to other financial assets. It will change the way that government accounts for the purposes of being eligible for the age pension—how other assets are counted. There are a range of other amendments that go to debt recovery, certain provisions for lodging tax returns, and funding under the National Disability Insurance Scheme, regarding a person’s account.

While the Labor Party will support elements of these bills, because we believe they are a step in the right direction and they provide some enhancements, there are a range of areas that are of great concern. Labor will always support sensible savings measures, because that is what we did in government and that is what we would expect the new government to do. We will be lending our support to a number of the measures in the legislation, but not all the measures in this legislation are sensible. Where we believe they are not sensible, we will move to omit those measures and we will oppose those on the basis that they are not sensible, on the basis that they do not provide for families, individuals or small business or where we...
believe the measures make unwarranted and unfair cuts at a cost, particularly to Australian students and their families.

I will quickly deal with a range of issues contained in here which I think are very important, particularly paid parental leave changes. I note for the record that it was Labor that introduced the first Paid Parental Leave scheme, which has been upheld in high regard right across the community and has served an enormous benefit. It has already benefited some 300,000 women who have accessed the Paid Parental Leave scheme that Labor introduced since January 2011. In fact, so successful has this policy been that we saw the opposition, now the government, extend it much further, to a level we believe is unwarranted, but that is a debate for another time.

What we did in our policy in the lead-up to the last election was very much understand and hear the voice of small business in this area, particularly small businesses with 20 employees or fewer. There would be a benefit if they had an option to not administer the Paid Parental Leave scheme themselves but to have that done by Centrelink. We think that is a good idea. That was our policy and we continue to have that policy. In here there are a number of changes in that particular area that we cannot support.

When it comes to the things that are contained in this bill, it is important to note that there are a whole range of issues for small business. This is not some single dimension or single-layer set of changes for families, in terms of how they are supported through their children attending higher education, or whether it is just the education system itself, or support through family tax benefit A or B—measures that are in place to provide cost-of-living relief to parents, cost-of-living relief to families and relief from cost-of-living pressures on individuals. It is very much needed support that Labor in some cases introduced but in a lot of cases enhanced. Labor is very cognisant of the way that this support interacts with the tax system and the further benefit to the whole community by helping to further educate young people so that they can provide not only for themselves and their families but also to the greater good of the economy.

Some of the support that was directly laid out under a Labor government was the instant asset write-off—a very much appreciated and applauded measure that Labor put in place which allowed a small business to write off for taxable purposes a proportion of the value of an asset that cost less than 6½ thousand dollars. This was widely used, to the tune of almost $3 billion, as the cost to the taxpayer, but it derived enormous benefit to small business. It helped them deal with cost-of-living increases, the cost of utilities and a whole range of other things. It helped them in a very difficult period over the past five years, coming out of a global depression, a global recession, a global financial crisis, and helped them deal with the fallout domestically in Australia. We saw the very good benefit of that. This government, unfortunately, will be penalising small business and taking that away. The government makes no secret of it and the government does not run away from that, but it ought to be held to account. Whatever other good they say they are doing—even if it is, as they say, a reduction in red tape—they have still taken away the most direct piece of assistance that Labor put in place for small business. It was a little bit over $5 billion worth of assistance in totality, if we look right across the board. The instant asset write-off was an uncapped, unlimited, 6½ thousand direct bonus for small business. That is now gone and I cannot see a time when a
Liberal government will reinstitute making a direct payment to small business to help them deal with the pressures of doing business.

We do understand small business. We understand small business directly. We understand that, if you are going to be more than just a mouthpiece for small business, talking the talk and spruiking the rhetoric, you actually have to put some money on the table as well. One of the best ways you can do that is by providing direct assistance to help them help themselves. Where they buy assets, where they invest in their own business, government should be there to lend them a hand—a hand up, not a handout.

In the run-up to the election, our policy was to move from the $6½ thousand in assistance to small business that we put in place—up from the $1,000 that was there under the previous Liberal government—to $10,000. That will now be wound back to just $1,000 again. That is an enormous hit to small business and, in my book, it does not sound like the government understands or is listening to small business. It is not us saying this. It is the small business representative bodies, the Australian Industry Group and a whole range of people—the voices of small business right across the board. Dr Peter Byrne from AIG said that the instant asset write-off reduces costs for small business and the amount they have to pay to their accountants. I could go on for quite some time about the benefits the instant asset write-off has brought to small business.

I also note the loss carry-back. This Labor initiative meant that, for the first time in Australia's history, businesses could retrospectively apply a current loss to regain tax they had paid in the past. This was of enormous benefit to small businesses in allowing them to arrange their expenditures and cash flows in order to be able to make a claim, up to the value of a million dollars, against taxes paid in the past. This was not just about a business making a loss but was also about how a business was then able to take account of this benefit—perhaps arranging asset purchases or other financial decisions in order to maximise the benefit to their current financial position. This is another example of Labor not only listening to small business but delivering for small business. This benefit will be taken away by this government.

I cannot go through all the details—there is just so much in this bill—but this bill does damage to students and makes things harder for them, it makes changes to family tax benefit A and family tax benefit B, and it makes life a little bit more difficult for families and for small business. There are elements of this bill that we believe are good, but there are elements we cannot support. (Time expired)

Mr WILKIE (Denison) (12:47): I have a number of concerns with the Social Services and Other Legislation Amendment Bill 2013, one of which is the diversity of the bill. I think it would be more appropriate, when there are a number of controversial issues to be decided in this place, to split them into separate bills. I spoke yesterday at some length about my concerns with the current government's attack on the universities. I will not repeat those comments but I would like to associate them with this bill as well.

Today I will use my limited time to focus on another area in the bill of great concern to me—this government's determination to wind back the modest poker machine reforms of the 43rd Parliament. Why the new government would do this escapes me, quite frankly. The scope of the poker machine problem in this country is by now well remarked upon and at least one thing this government will not be able to destroy is that the 43rd Parliament shone more
light on the issue of poker machine problem gambling. We have helped to take away a little bit of the stigma of it. More people are now seeking help and poker machine revenue nationally is down markedly. That is a positive step and not something the new government can overcome.

I will just recap. The 2010 Productivity Commission report into gambling in this country, the second major report by the commission, revealed a number of quite dramatic statistics. For example, it revealed that something like 95,000 Australians have a problem with poker machines. They lose much more than they can afford to lose. Those 95,000 people are, between them, losing something like $5,000 million a year on the pokies. From other sources we have learned that something like 15 per cent of Australians who gamble weekly have a gambling problem and that something like another 15 per cent of people who gamble weekly on the pokies are at risk of becoming problem gamblers. In other words, almost a third of the people who are playing the pokies weekly either have a serious problem or are at risk of developing a serious problem with the machines.

There is some good research out of Tasmania which shows that, for every problem gambler, between five and 10 people are affected. These are mums, dads, brothers, sisters, sons, daughters, work colleagues, people they manage, bosses, friends—any number of people. When you add all this up, the number of people adversely affected by poker machines in Australia is well over 1 million. Surely that is more than enough people to make any government determined to take strong and decisive action and finally do something about it.

The human face of this is remarkable. I would like to think that every member of parliament would sit down from time to time with people who are concerned with the scourge of poker machines, would sit down with people who are affected by poker machines and would listen to the stories—would hear at least some of the stories that I have heard as an outspoken advocate for reform. They should hear, for example, from the people who have gone to jail. Good research out of Victoria shows that problem gambling, predominantly from the pokies, is the second most prevalent cause of crime in that state, second only to drug abuse.

They should hear stories like the one I heard some time ago about a family in my electorate. After repeated attempts by Aurora to put them on repayment plans, they finally had their power cut off. What became of that family? What became of those children? What did they do for a hot meal? What did they do for a hot shower? What did they do for lights at night?

No doubt those children would be some of the ones who take advantage of the public school breakfast programs that need to be run in my electorate and in any number of electorates.

A couple introduced themselves to me some time ago and they had been bankrupted by a dishonest employee. The employee had taken so much money out of the till over a period of years that ultimately it was the main reason for that business going broke, for the owners being bankrupted and for them losing everything. I am pleased to report that eventually they did get back on their feet. There are stories of suicides. It is unsurprising that the rate of suicide amongst problem gamblers is markedly higher than it is for the rest of the community.

There are a thousand stories. I could stand here all day and all night and I would not run out of stories to tell. Some of them would sound very familiar to people in this place.
Why, when the problem is so big and affects so many people so brutally, would this government want to overturn the modest reforms of the 43rd Parliament? The reason escapes me. It is not like they do not have public opinion on their side. Poker machine reform was such a hot topic in the 43rd Parliament that it prompted a number of researchers and media outlets to commission a number of polls. Over time, right around the country, the polls consistently showed that a clear majority of Australians wanted strong and decisive poker machine reform. If anything is remarkable it is that there was not stronger reform in the 43rd Parliament, and now it is surprising that the new government wants to wind back even those modest reforms that were made.

I almost got myself into a bit of strife yesterday when asking a question of the Prime Minister. The gist of it was how is it that so many avowed Christians can seem so uncaring when it comes to gambling reform. I think it was a fair question to ask. To pitch it in a slightly different way, how is it that people who claim to be compassionate, who claim that they stand up for a fair deal, a fair go and want to help the battler, be so uncaring when it comes to gambling reform? How can people who came into this chamber this morning and bowed their heads and joined in the Lord’s Prayer then be so uncaring when it comes to gambling reform? If Jesus Christ were sitting in the chamber now, what would he say about poker machines in Australia? What would he do if he were in this place? I am sure he would take a much more compassionate approach. I am sure he would not be a party to overturning the modest poker machine reforms of the 43rd Parliament. Frankly, I find the pioussness and the sanctimonious behaviour—the handwringing, the bowed heads—hypocritical when those people are then not prepared to take strong, decisive action to help so many Australians who are often some of the most disadvantaged and lowest paid people in the land.

I note that yesterday the Prime Minister recommitted the government to working collaboratively with the states to put in place voluntary precommitment. The problem with that approach is that there is an abundance of research which shows unambiguously that voluntary precommitment does not work. The government is quick to criticise and to say that mandatory precommitment and $1 maximum bets on poker machines—pushed by me and many others—do not work and there is no research. That is baloney. There is an abundance of research that shows that $1 maximum bets and mandatory precommitment, where people must set a binding limit and the system locks them out for the rest of the day when they reach that limit, work. Similarly, there is an abundance of evidence to show that the government's course of action, voluntary precommitment only, does not work.

The government is not wanting to shine a light on or say too much about the fact that it is overturning a crucial part of the 43rd Parliament's reform—section 33 of the act from that parliament, which requires the voluntary precommitment system to, in essence, be capable of mandatory precommitment at the flick of a switch. This government knows, and the industry knows, that that was the crucial part of the reform passed by the previous parliament. By rolling out a voluntary system that was capable of mandatory precommitment at the flick of a switch, a future federal, state or territory government would then have the option to flick the switch and the industry would have no excuses about it not working or being too expensive. That is at the heart of what this government is doing—ensuring that in the future machines will not be capable of mandatory precommitment. While this government might have an interest in voluntary precommitment, it is actually an interest in a completely worthless
technology, a completely worthless reform. This government knows that making the system mandatory precommitment or mandatory precommitment ready, which is what the act requires, was the crucial part of the reform.

Too many people in this place have been bought off by the poker machine industry, with players in the poker machine industry handing over over $100,000, a couple of hundred thousand dollars or $1 million over time. Yes it is a political donation, yes it is declared and yes it seems clean under our regulatory framework, but, quite frankly, by my moral framework it is as much a corruption of good governance as a bagful of cash being handed over at the back of the building in the dark of night.

You know, in the few months after the 2010 federal election, the Australian Hotels Association and ClubsNSW donated $1.3 million to the Labor and Liberal parties—most of it, in fact, to the Liberal Party. There was no altruism about that. It was not a generous gift to help a buddy out. It was an investment—an investment which today is paying dividends. Jamie Packer handed over a couple of hundred thousand dollars to Katter's Australian Party when this parliament was considering poker machine reforms. No-one hands over that sort of money without an expectation of—an unsaid demand for—a return on that investment. Well, it seems the industry has made some pretty good investments, and we are seeing it being returned today by the determination of this new government to overturn the very modest poker machine reforms of the 43rd Parliament.

I will not mince my words. The poker machine industry is every bit as fundamentally cruel and corrupt as anything you can imagine. It lives off the misery of problem gamblers. Five billion dollars out of the $9 billion lost in this country comes from problem gamblers. It is the cream on the top. It is the big fat profit the industry makes. The industry figures it cannot afford not to have problem gamblers. It is like a Ponzi scheme because, as people take their own lives or lose all their money or perhaps, fortunately, get over their gambling problem and come out one end, the monster has to be fed. It is a Ponzi scheme. The poker machine industry needs to recruit new problem gamblers every day to keep feeding the monster. That is the only way the poker machine industry continues to function.

It is no wonder that the industry makes machines that are so addictive. The founder of Aristocrat, the big Australian company that makes poker machines and exports them globally, once said that the secret of Aristocrat's success was that it learned to make a better mousetrap. Doesn't that give the game of what the industry is up to away? In 2009, the former head of ClubsNSW, when talking about political fundraising, said:

There was absolutely the view that supporting fundraising helped our ability to influence people … We did support political party fundraising, which was a legitimate activity, and it certainly assisted us in gaining access …

Well, hasn't it helped to gain access today! This new government is so determined to overturn the modest poker machine reforms of the 43rd Parliament. I can only hope that when this goes to the Senate there will be enough people of good heart, and in the next Senate there will be enough people of goodwill up there to stop this part of this bill—people like Family First, the DLP, Nick Xenophon and others. Maybe the Palmer United Party will also stand in the way, because the onus is now on the Senate to stop this. This is an inequitable and ill considered part of the bill by the new government, and it is a completely meaningless gesture which will not work when it comes to a pursuit of voluntary precommitment.
Mr ANDREWS (Menzies—Minister for Social Services) (13:03): This bill introduces several measures affecting the Social Services portfolio. One key measure delivers the first stage of the government's commitment to a different approach in addressing problem gambling. Our new direction will provide meaningful and measurable support for problem gamblers and reduce bureaucracy and duplication of functions between the Australian government and state and territory governments in this important area. Most Australians who gamble do so responsibly, but gambling is a major problem for some people and effective measures are needed to help these people. The bill will repeal the position and functions of the National Gambling Regulator, along with those provisions relating to the supervisory and gaming machine regulation levies, the automatic teller machine withdrawal limit, dynamic warnings, the trial on mandatory precommitment and matters for Productivity Commission review. The bill will also amend the precommitment and gaming machine capability provisions to express clearly the government's commitment to the development and implementation of these measures in the near future, informed fully by consultations with industry, state and territory governments and other stakeholders.

In a further step towards reducing bureaucracy, and especially to ease administrative burdens on business, the paid parental leave legislation will be amended to remove the requirement for employers to provide government funded parental leave pay to their eligible long-term employees. From 1 March 2014, employees will be paid directly by the Department of Human Services, unless an employer opts in to provide parental leave pay to its employees and an employee agrees for their employer to pay them.

The bill will also continue income management as a key element of Cape York Welfare Reform, as part of a two-year continuation of the initiative until 31 December 2015. Cape York Welfare Reform is a partnership between the Australian government, the Queensland government and the Cape York Institute for Policy and Leadership. It aims to restore local Indigenous authority, rebuild social norms, encourage positive behaviours, and improve economic and living conditions in the participating communities of Aurukun, Coen, Hope Vale and Mossman Gorge. Since Cape York Welfare Reform began in July 2008, the four participating communities have seen improvements in school attendance, parental responsibility and restoration of local Indigenous authority.

The bill will implement several measures affecting family and parental payments, the closed Pension Bonus Scheme, the rules for receiving certain payments overseas, the income test treatment of account based superannuation income streams, and certain student entitlements. Lastly, the bill will make some minor amendments, including ensuring that funding under the National Disability Insurance Scheme paid into a person's account which is set up for the purpose of managing the funding for supports for a participant's plan cannot be garnisheed for debt recovery procedures.

I will also shortly be moving government amendments to introduce a new measure to the bill. The new measure will delay the commencement of the Charities Act 2013 by nine months from 1 January 2014 to 1 September 2014. The Charities Act 2013 defines 'charity' and 'charitable purpose' for the purposes of all Commonwealth legislation. The government has committed to consulting with the sector on abolishing the Australian Charities and Not-for-profits Commission and establishing a centre for excellence and a possible national register of charities. The delay will mean we can work holistically with civil society,
consulting a range of stakeholders, including charity law specialists who provide advice to the sector. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr ANDREWS (Menzies—Minister for Social Services) (13:07): I present a supplementary explanatory memorandum to the bill and seek leave to move government amendments (1) to (3) as circulated together.

Leave granted.

Mr ANDREWS: I move government amendments (1) to (3) as circulated together:

(1) Title, page 1 (line 4), after "gambling", insert ", charities".

(2) Clause 2, page 2 (table item 2), omit "Schedules 1 and 2", substitute "Schedules 1, 1A and 2".

(3) Page 8 (after line 9), after Schedule 1, insert:

Schedule 1A—Charities

Charities Act 2013

1 Section 2

Omit "1 January 2014", substitute "1 September 2014".

I have outlined in my previous comments the purport of these amendments and I have nothing further to add.

Mr SNOWDON (Lingiari) (13:08): I am pleased that the Minister for Education is here in the chamber, because I want to refer to two elements of this bill which relate to education and which are of great concern to me: the proposed interest charges to apply to certain debts, and the issue to do with student start-up loans. It is correct that these amendments were first proposed by us as an initiative of the 2013 budget, but it was a measure with one specific reason—that is, it was to fund Labor's Better Schools Plan. Before the election, the coalition said—as the minister at the table will identify—that they were on a unity ticket with the Labor Party. But they have walked away from that unity ticket. They have refused to commit the $14.565 billion in additional funding for schools that was promised as part of the Better Schools Program, and they have no assurances that states will not cut funding. That is the issue I want to address right now.

The current Northern Territory government has taken it upon itself to slash $250 million from the Territory's education budget over the forward estimates—$50 million worth of cuts in 2014 alone. Let us be clear: the worst-performing jurisdiction in Australia in terms of educational outcomes is pulling $250 million out of its education budget over the forward estimates—$50 million this year. And $10 million of that will come directly from classroom teacher cuts. The contrast to Labor in government is very clear. As a result of the initiative of my friend the member for Jagajaga and a partnership which we had in developing a Stronger Futures package for the Northern Territory, we proposed to spend $583 million over 10 years in additional funding to the Northern Territory for education. Part of that was to provide
funding for 200 additional teachers in the Northern Territory on an ongoing basis and to provide new housing—in excess of 100 teacher houses—for bush communities. Under the proposals put by Labor, every school in the Northern Territory would have benefited substantially—in contrast to what is now being proposed by the then opposition, who said at the time that they would support what we were doing. But of course, they have not. We are now contemplating the impact of the cuts proposed by the Northern Territory government against the backdrop of the Commonwealth government refusing to commit—despite the former Commonwealth government under Labor putting in $583 million in additional investment—and against the backdrop of recent information coming out on educational performance data which shows that the worst-performing jurisdiction in Australia is the Northern Territory. Today, we are observing a $250 million cut over the forward estimates from the Northern Territory government from its education budget. The hypocrisy is mind-blowing.

What we need this Minister for Education to do—and he is here in the aisle, jawboning—is call the Northern Territory government to account. When the coalition made their announcement this week about freeing up their education resources—from we know not where—to give the states all this extra money, they did not make the states accountable. There have been no strings attached. It is very clear, in the context of the Northern Territory, that Northern Territory students are suffering as a direct result of a disinvestment by the current Northern Territory government in education—$50 million this year, with $10 million of that taking teachers out of the classrooms. I do not know how the minister can sit in this place and say with a straight face that the coalition have adopted the same package that Labor had proposed under Gonski. And remember—

Mr Pyne interjecting—

Mr SNOWDON: As we said before, Minister—I'm glad you're here. You might actually listen to what is happening in the Northern Territory. (Extension of time granted) I say to the minister who is at the table: let's be serious about this. We are seeing a reduction in the Northern Territory's own budget for education, we are seeing you—that is, the minister and this current government—saying that you are going to honour the Gonski proposals but, in fact, you are not. We do not know where the money the coalition announced this week—from memory, I think it was $1.2 billion in additional resources—is coming from. And the two states and the territory that will benefit have not been told that they have to be accountable for the money in the way in which they would been under Gonski. It seems to me there is rank hypocrisy in that position. We know what the Territory government is like; we know what they are doing. They are affecting the educational outcomes of every kid in the Northern Territory, and the most disadvantaged of those, of course, live in Aboriginal communities. They have benefited substantially from the input of the Gonski proposals. A school like Angurugu on Groote Eylandt would have had growth funding of over $4 million over the period, an increase per student of 60.2 per cent. At the very same time they would be getting that, the Northern Territory government was going out the back door with their paper bag, slipping out the dough. So, we are putting the money in and they are taking it out. You sit here in this place and try to tell us that, somehow or another, you are making real reforms in education. You are not making real reforms in education and we know that the most
disadvantaged students in this country—the people who most need this new investment—are the ones who are suffering as a direct result of your indolence.

It seems to me that the government needs to be held to account for its failure—its abysmal failure—to make sure that the state and territory governments do what they should do—and that is the right thing by the students in their communities. I say to the minister that the next time he is talking to the Northern Territory Chief Minister or—God forbid—the Northern Territory education minister, he might actually ask him, 'Mate, when are you going to put this dough back in?' The Northern Territory Treasurer—what a bonzer bloke! what a terrific bloke!—is the same person who would have stood up here as the former member for Solomon advocating for the Northern Territory and now he is cutting money from the Northern Territory's own education system. It is an absolute disgrace! You, Minister, are responsible.

Ms MACKLIN (Jagajaga) (13:16): As I indicated in my second reading remarks, the opposition will be moving substantive amendments. As the government decided to bring this debate on with the gag, we will move those amendments in the Senate.

The DEPUTY SPEAKER (Mr Craig Kelly): The question is now that the amendments be agreed to.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr ANDREWS (Menzies—Minister for Social Services) (13:17): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr CLARE (Blaxland) (13:18): Before the adjournment last night, I was making the point that the government is not off to a good start in implementing its own second-rate version of the NBN. I made the points that construction of the NBN had slowed down since the election and that the government had broken its promise to honour every existing contract, which had left about half a million homes and businesses in Australia in limbo—unsure whether they would get fibre all the way to the premises or whether they would get the slower, second-rate, second-class version that the government had promised before the election, fibre to the node. In addition to that, construction companies have not been given enough work and, despite the promises that the minister has made that he would ensure that companies would not have to lay off people, contractors have had to lay off staff. Workers have been laid off in different parts of the country, and the most recent example of that was publicised in the Illawarra Mercury only a few weeks ago, where up to 40 workers from Thiess who were previously working on the construction of the NBN have been put off.
In the last week or so I have been to the Illawarra and to the Central Coast of New South Wales and have met some of the half a million that the minister has taken off the NBN rollout map. I can tell you that they are furious. Some people cannot get ADSL at the moment; they cannot work from home; and their children cannot study, using the internet. They are desperate to get the NBN; they were supposed to get it in the next few months—some before Christmas, some next year. Now they are being told that they have been taken off the rollout map and left in limbo. They honestly do not know what is happening. The minister has claimed in this place that they were taken off the map because nothing was happening—no construction work had started, there were only designs on a map. But that is not what residents have told me. They told me that NBN trucks have been up and down their street and that NBN workers have been putting ropes and pipes into pits in their streets. So, claims that no physical construction work has occurred in many of these areas is nonsense. Dr Switkowski, the chairman and acting CEO of the NBN, had to concede as much when he appeared before the Senate committee on the NBN last week. When he was shown photos of work being done in locations like this, he said that it looked like construction to him. The trucks have gone from a lot of these areas now, and residents of the Illawarra, the Central Coast and elsewhere want them back.

Last week the government struck another problem. The media got a copy of the secret advice that NBN Co. had prepared for the incoming minister's brief, and it is, by all accounts, pretty devastating. It pulls apart the government's plan for fibre to the node and essentially says that it cannot be implemented in the time frame the government has set. According to reports in the Sydney Morning Herald and the Age, the coalition's NBN plan is inadequate, poorly planned and unlikely to be completed on time. The reports say that the revenue the NBN will make under the coalition's plan will drop by up to 30 per cent. They also say it will compromise the provision of telehealth, distance education, internet TV and other business applications. Of most concern, though, the reports say that the coalition's promise to provide everyone in Australia with access to 25 megabits per second by 2016 is unlikely to be able to be implemented. Ziggy Switkowski said something similar when he gave evidence to the Senate committee last week. He described keeping this promise—the promise to all Australians to get access to 25 megabits per second by 2016—as 'very, very demanding'. That is code or bureaucratic-speak for 'not going to happen'.

To give you an idea of how hard it will be for the government to keep this promise, Dr Switkowski told the committee that no other country in the world had ever rolled out fibre to the node as quickly as this, and that it would require the construction and the installation of between 60,000 and 80,000 nodes or boxes on street corners or 2,000 of these boxes or nodes a week—no small feat. It is no wonder then that the minister has refused to release his incoming minister's brief. It tells him that he probably cannot keep the promises that he made before the election. Given the broken promises that we have seen on education, on debt and on everything else, the government needs another broken promise like it needs a hole in the head.

We are now waiting for the minister to release his strategic review of the NBN. He received it yesterday and he should release it. By his own words, the minister has set a very high bar for this report. He said he wants it to be rigorous and forensic. He said two weeks ago he wants 'hand on heart, realistic and achievable options, prudently costed and scoped, on
which we can make weighty decisions'. If the government is going to move from a fibre-to-the-premises model to a fibre-to-the-node model, this strategic review needs to provide realistic costs to fix the copper network and then to maintain the copper network that they are going to use. If this report does not provide that information then it will have failed. I am not talking here about estimates or assumptions or international comparisons; I am talking about hard data provided by Telstra, who currently run the copper network, that is independently tested and independently audited.

Evidence presented to the Senate committee last week claimed that up to 80 per cent of the copper network needs work. I have heard suggestions that maintenance of the current copper network alone could cost between half a billion dollars and $900 million a year. Put another way, maintaining our copper network over the next decade could cost between $5 billion and $9 billion. That is why we need this information in the strategic review. We need to know both how much it is going to cost to fix the copper network so that it is fit for purpose and how much it will cost to maintain it. As the minister has said, these are weighty decisions he has to make, and before you make weighty decisions you need this hard data, independently tested. Those are just a few of the questions that we need answers to. Here are a few more.

Does NBN Co. plan to buy or lease the copper network from Telstra? What plans do they have to utilise the existing HFC network? How are the government going to plug the existing gaps in the HFC network and will they ensure that a HFC network used as part of the NBN has access for everyone—that it is not a closed network, that it is open access? Given the government's promise to make the NBN easy to convert to a full fibre-to-the-premises network in the future, we need to know exactly how this will be done. We need answers to these sorts of questions in the strategic review.

I said at a conference on the NBN a few weeks ago that the Labor Party has won the debate about superfast broadband. We were roundly defeated at the last election, but it was not because of this. People did not vote for the government because of their broadband policy; in fact, I suspect many people voted for the government in spite of it. But the coalition, to their credit, have changed their position. Three years ago the Prime Minister—then the opposition leader—told his team, told the shadow minister, to demolish the NBN. A lot has changed. Now they are saying they are going to keep it, even if in a reduced form, even if through gritted teeth. They are doing this because the Liberal Party realises that the NBN is a bit like Medicare—it is too popular to destroy. My argument to the government is that, if you are going to do this, if you are going to build the NBN, then do it properly and do what Robert Menzies did.

When Robert Menzies was in opposition in 1949 he was one of the fiercest critics of the Snowy hydro scheme. He criticised it up hill and down dale. Two months before the 1949 election, Robert Menzies refused to attend the launch event for the Snowy hydro scheme, but when he became Prime Minister, Robert Menzies changed his mind. He supported the Snowy hydro scheme; he backed it and he built it. This Prime Minister, I fear, is no Robert Menzies. I do not think the Prime Minister understands how important the NBN is, how important this infrastructure is. In the past he has described it as 'essentially a video entertainment system'. But this Prime Minister has also described himself as the infrastructure Prime Minister. He has promised to build the infrastructure of the 21st century, promised to build the infrastructure that Australia needs. Guess what? This is what it is. This is what the NBN is. It
is quintessentially the infrastructure of the 21st century, and you cannot be the infrastructure Prime Minister if you are cutting the biggest and most important infrastructure project in Australia.

The Prime Minister is no Robert Menzies, but the Minister for Communications could be. He could have the same change of heart that Robert Menzies had. He gets it, he understands it. In his heart of hearts he knows how important this project is. He knows that 25 megabits per second is not going to be enough, more than enough, for the average household. He knows that creating a digital divide between areas with fibre and those without, building new estates that will have fibre to the premises while old estates have fibre to the node, is bad policy, that we should not be creating a society of have and have-nots. He knows enough to know better. It is not too late for the Minister for Communications to become another Menzies.

I move:

That all the words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading the House notes that:

(1) in his Second Reading Speech, the Minister acknowledged:

(a) the importance of communications infrastructure to our economy; and

(b) the unforeseen evolution of technology and services that could be facilitated using submarine communications cables when Australia's links were first developed in the nineteenth century; and

(2) it is critical for policy makers to adopt a forward-looking view of our nation's communications and infrastructure requirements; and

(3) the assertion that broadband speeds of 25Mbps will continue to be sufficient for the needs of Australian households in future is inconsistent with items (1) and (2)."

The DEPUTY SPEAKER (Mr Craig Kelly): Is the amendment seconded?

Mr Butler: I second the amendment.

Mrs PRENTICE (Ryan) (13:31): I rise to speak on the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013. The coalition went to the election with a strong communication plan to bring Australia up to speed with the digital economy by investing in communications infrastructure. Today's bill is one step of many the coalition are taking to deliver on our election promises.

Submarine cables have been used for telephonic and telegraphic purposes for more than 150 years, with submarine telegraph cables first laid across the English Channel in 1851 and across the Atlantic Ocean in 1866. Now modern fibre-optic submarine cable technologies connect the globe in the digital age, transferring multiple terabits of data every second. They are the backbone of the world's communications infrastructure.

Submarine cables are an important factor in connecting Australia to the rest of the world. A connection to the internet enables Australian businesses, families and individuals to engage in commercial, educational and entertainment opportunities. The fast transfer of vast amounts of data enabled by modern submarine cables is vital to our communications infrastructure. To meet future internet traffic growth in Australia there are several proposals for new submarine cables.
When you think of modern day communications and digital terrorism, themes from James Bond and *Die Hard 4.0* come to mind, where stereotypical nerdy kids in glasses are furiously tapping away at keyboards in the dark, bringing down Western civilisation from behind a computer screen. However, behind the abstract virtual cloud of cyberspace is a very real physical infrastructure with some surprising vulnerabilities. For example, if you want to throw Manhattan into virtual chaos, all you need do is disrupt the New York data centre on John Street. But if you really want to disrupt the internet globally then you need simply interfere with the biggest choke point of all: the undersea fibre-optic cables that move vast volumes of data from continent to continent.

While these intercontinental deep-sea cables seem untraceable in the hundreds of millions—indeed, trillions—of cubic metres of seawater on the planet, these cables have to pass through shallow water at either end where they come ashore. This last kilometre is where the cables are most vulnerable. To add to the vulnerability, the shore nodes are surprisingly concentrated. For example, on the US east coast, virtually all of the transatlantic undersea cables come ashore at three locations between Long Island and southern New Jersey. On the US west coast, the vast bulk of cable traffic is concentrated in two locations—one in central California and the other in Oregon.

Disrupting a cable is not rocket science. There are easier ways of sabotaging the world's internet than those worthy of a James Bond movie. Each year there are approximately 150 unintended cable disruptions by the accidental snagging of a cable with a dragging anchor or fishing net. While most of these disruptions are genuinely accidental, there are occasions when submarine cables become terror targets. Earlier this year there were multiple disruptions on a number of undersea communications cables terminating in Egypt and nearby destinations. The sheer number of breaks struck some observers as an odd coincidence but was chalked up to the chronic problem of dragging ship anchors or tangled bottom nets snagging the communications links. Then the Egyptian coastguard caught three divers trying to cut the SEA-ME-WE-4 cable on the seabed a few hundred yards offshore near Alexandria. While on this occasion the acts of terrorism only amounted to a series of annoying repair headaches and not global cyberspace chaos, it was a troubling reminder of how vulnerable the global cable infrastructure is and presents a precedent for increasing attacks in the future.

While there is considerable redundancy built into the system—as you would hope, when there can be over 150 disruptions a year—if enough capacity is lost through enough cables being disrupted then the effect can be devastating. If too many submarine cables are located in the same pathway and go to the same access points, a single point of failure can arise.

In early 2008, three cables, including SEA-ME-WE-4, were cut between Egypt and Italy. These three cables carry over 90 per cent of all internet traffic between Europe and the Middle East. The amount of bandwidth that crosses Egypt is breathtaking. The SEA-ME-WE-4 cable has a total capacity of 1.28 terabits per second. Multiply that by three and you have lost a lot of capacity for data transfer. Despite aggressive re-routing, over 14 countries ended up losing web connectivity. The Maldives were completely cut off, while over eight per cent of traffic from India was affected, along with slightly lower outages among the Gulf states, including Qatar, Saudi Arabia and the UAE.

As an island nation, Australia is particularly dependent on submarine cables. Sub-sea cables carry the bulk of voice and data traffic in and out of Australia. Australia has seven
submarine cables and three declared protection zones. As the majority of damage to submarine cables comes from man-made causes, in Australia's protected zones certain activities—trawling, mining, some types of fishing, anchoring of vessels and dredging—are prohibited or restricted. Within protection zones it is an offence to damage a submarine cable, engage in prohibited activities or contravene a restriction. Penalties include fines of up to $66,000 and/or 10 years imprisonment for an individual and up to $330,000 for a corporation.

Several new cables off the east coast of Australia have been announced, as has a Perth-to-Singapore route. SubPartners and Hawaiki Pty Ltd have announced proposals to construct cables connecting Australia and the United States. Telstra, Vodafone NZ and Telecom NZ have recently announced a joint venture to build an additional cable between Australia and New Zealand.

This bill increases Australia's connectedness, which is a cornerstone of the coalition government's broader communications policy. This bill is a reflection of our commitment to provide $100 million for mobile black spots to ensure more people can connect to mobile phone services, particularly in rural and regional areas, and is of course at the centre of our plan for a better NBN. The coalition is committed to completing the National Broadband Network sooner, more affordably for consumers and at less expense to taxpayers.

Our plan for a better NBN will ensure that areas that do not have adequate broadband service will be prioritised and that broadband services will ultimately be more affordable. This approach ensures that more Australians can prepare for the future of the global digital economy. The coalition government is committed to telling Australians the truth about Labor's NBN. The coalition's plan for a better NBN will see more people have access to fast, affordable broadband sooner. This bill will help ensure Australia's connectedness by improving the submarine cable protection regime set out in schedule 3A of the Telecommunications Act 1997.

This bill aims to ensure consistency between Australia's cable protection regime and the United Nations Convention on the Law of the Sea, UNCLOS, which sets out the rights and obligations of coastal nations in relation to the seas and oceans, including Australia's right to regulate foreign ships and persons beyond its territorial waters. Although this issue has not arisen in practice, because the ACMA is required to consider UNCLOS when it exercises its powers, some concerns have been expressed that the regime may seek to regulate foreign nationals for certain actions in waters of the exclusive economic zone or continental shelf in a manner inconsistent with international law, including UNCLOS. This bill provides a structured process for the consideration of matters within the Attorney-General's portfolio in relation to submarine cable installation permit applications.

This bill enables significant cables that connect two places in Australia to be brought under the regime's protection. The Governor-General will have the power to specify in regulations that a domestic cable or route be given protection. ACMA would then have discretion to decide whether a protection zone should be declared around that cable or route. Examples of significant domestic submarine cables are those owned by Telstra and Basslink, which cross Bass Strait to Tasmania. This bill will enable domestic submarine cables to be brought into the regime and be suitably protected under the regime if appropriate. The bill will also streamline the permit process so carriers need to obtain only one type of permit to land a cable in Australia. The permit-processing time frames are tightened and duplicative processes are
eliminated. Australia's regime has been praised as a global best practice example for the protection of submarine cables. (Time expired)

Ms ROWLAND (Greenway) (13:40): I am very pleased to rise to speak on the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013 and, in particular, to support the amendment moved by the shadow minister for communications, the member for Blaxland. I was very heartened by the words of the minister in his second reading speech, which included an overview of the evolution of infrastructure in relation to submarine cable systems and the way in which technological developments have led to unforeseen benefits for the industry, for consumers and for the world economy as a whole. This infrastructure was initially limited to telegraph messages but was then extended to voice and now to data.

The minister's speech reminded me of some of the dangers of trying to predict the future, particularly in an age of rapid technological change. I am sure that those people who laid those cables could not possibly have foreseen the uses to which they would be put in the modern age. It also reminds me of some bad predictions that have been made regarding technology. The shadow minister highlighted at least one, but my favourite is from Sir William Preece: 'The Americans have need of the telephone, but we do not. We have plenty of messenger boys.' One can only judge from that quote that short-sightedness catches up with policymakers and with society as a whole if we do not do things properly, if we underestimate the pace and scope of change and opportunity.

I would have thought that, considering his second reading speech, the minister would have appreciated the dangers of predicting limitations in technology. I have heard he invented the internet. Yesterday, I believe, he told his party room he invented television. It stands to reason that a minister in a portfolio such as his would appreciate that technology requires forward thinking, forward policy-making and notions of not limiting ourselves to not only nascent markets but unthought-of markets at any given time.

The great irony of this bill is that it is all about the importance of submarine cables as vital infrastructure connecting us to the rest of the world. The minister mentioned in his second reading speech an APEC report—I am sure it is the same one that I have looked at. I am not sure if he read it, but, if he did, the irony has certainly escaped him on this occasion. He will come to understand that when I take some quotes from it. These are vital pieces of infrastructure that must be built properly the first time, not limited to what can be accomplished when they are first laid but protected for the future so that technology can adapt and exploit to its full extent.

I note that in the APEC Policy Support Unit document Economic Impact of Submarine Cable Disruptions Australia is described as one of the best practice case studies, along with Hong Kong and China. That is relevant to the substance of the bill. Australia, it is noted, has 'regulatory provisions to aid the protection of submarine cables in and around Australia' and works with significant international community fora to make that happen. It notes that there are submarine cable protection zones in Australia off the east coast and off the west coast and that activities likely to damage these cables are prohibited or restricted inside the protection zones. Those activities include activities such as trawling, anchoring, mining and dredging. I will draw the attention of the House to some very interesting aspects of this APEC report.
The DEPUTY SPEAKER (Hon. BC Scott): Order! The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour and the member will have leave to continue her remarks when the debate is resumed.

COMMITTEES
Selection Committee
Membership

The DEPUTY SPEAKER (Hon. BC Scott) (13:45): Madam Speaker has received advice from the Chief Government Whip that Mr Randall has been nominated to be a member of the Selection Committee.

Mr TUDGE (Aston—Parliamentary Secretary to the Prime Minister) (13:45): by leave—I move:
That Mr Randall be appointed a member of the Selection Committee.
Question agreed to.

STATMENTS BY MEMBERS
Middle East: Occupied Palestinian Territory

Ms PARKE (Fremantle) (13:46): It is a matter of enormous concern that the Australian government has recently, without notice to the Australian community, changed our country's voting position in the UN General Assembly on resolutions relating to the illegality under international law of Israeli settlements in the Occupied Palestinian Territory and the applicability of the Geneva conventions.

Israel does not accept that the Fourth Geneva Convention, which prohibits such population transfers by occupying powers, applies to the Palestinian territory it occupies. However, this view is overwhelmingly contradicted by the international community, including the International Court of Justice, the International Committee of the Red Cross, the UN Security Council, the UN General Assembly and the high contracting parties to the Geneva conventions. Even Israel's closest ally, the United States, regards the settlements as illegitimate, while closer to home some of our near neighbours, including Indonesia and Malaysia, see the settlements as a great injustice.

I speak on behalf of many concerned Australian citizens in calling upon the government, when this matter comes again before the UN General Assembly next week, to respect the international rule of law and the government's own professed support for a two-state solution—a solution that is undermined and rendered increasingly unlikely by continued illegal Israeli settlement building on Palestinian land. At a time when Australia has a seat on the UN Security Council and the presidency of the G20, it behoves us to respect and promote international law and human rights.

Braddon Electorate: Godfrey's Beach

Mr WHITELEY (Braddon) (13:47): Domestic and international tourists may be forgiven for thinking that the best beaches in Australia are only found in those uncomfortably hot and humid northern states. But one of the best beaches in Australia is found in my electorate of Braddon—Godfrey's Beach. Just a few days ago, Godfrey's Beach was recognised at the National Keep Australia Beautiful, Australian Sustainable Cities and Clean Beaches Awards.
2013, receiving the award for community leadership and action. More than simply recognising the beauty of the beach itself, this award exemplifies what it means to be part of the Stanley community.

The project to keep the beach as a sustainable tourist attraction for northern Tasmania has drawn together the Circular Head Council, Cradle Coast NRM, Parks and Wildlife, the Circular Head Landcare group, Stanley Discovery Museum and, notably, the Stanley Primary School. Under the guidance of Stanley Primary School Association Chair Sue Smedley and Principal Peter Brown, students at the school have taken a leading role in ensuring not only that the beach remains clean but that the area is managed in an environmentally sustainable manner.

It is no wonder that, when Keep Australia Beautiful reflected on the cooperation of the organisations involved in this project, they said, 'It was obvious that a special spirit emerges where a community has a strong and enduring connection to its local environment.' I concur with these comments and again congratulate all those involved with this project, particularly the students and staff of Stanley Primary School.

**Rankin Electorate: YMCA**

**Dr CHALMERS** (Rankin) (13:49): I rise to pay tribute to the YMCA school in Kingston in my electorate and especially to mark the achievements of a very special group of students, parents and staff. It was a real honour to address these young people last Friday at a ceremony to honour the work they have put into their vocational training at the YMCA campus under the watchful eye of 'the two Garys' and some amazing teachers and supporters. I am also really pleased that the former Labor government was able to fund the trades training centre that the member for Blaxland and I announced on site during the election campaign.

For a whole range of reasons, the young people who attend the YMCA school have not had easy lives—not by any stretch. Many of them did not have the best experiences at their previous schools. Whether these difficulties were imposed on them by circumstance or were the result of poor decisions in the past is not the most important thing. The most important thing is that they have picked themselves up and applied themselves to their learning and qualifications.

I told them on Friday that everyone loves a comeback story and that they are truly 'the comeback kids' in our community. I am proud to honour their achievements in this place, and I am proud to represent them in this place.

**Tasmania: Walnuts Australia**

**Mr HUTCHINSON** (Lyons) (13:50): I rise to advise the House that a Tasmanian company, Walnuts Australia, has recently won the agribusiness category at the 51st Australian Export Awards presented in Melbourne at the end of last month. The awards follow Walnuts Australia's success in the same awards as the Emerging Exporter last year.

The award recognises and honours Australian companies doing international business who have achieved sustainable growth through innovation and commitment. The awards are impressive for a company with such humble beginnings. Not so long ago, Webster Ltd chief executive John Hosken, as head of Walnuts Australia's parent company, said the business started from a small walnut tree nursery at Forth on Tasmania's north-west coast in my colleague the member for Braddon's electorate in the late 1980s.
Walnuts Australia now manages 620 hectares of orchards in Tasmania and 615 hectares within the Riverina, totalling 700,000 trees. When mature, these orchards will produce more than 11,000 tonnes of walnuts. The walnuts end up on the tables of customers in Germany, Italy, Turkey and China, with many opportunities to expand the domestic market here in Australia as well.

**Newcastle Electorate: Special Olympics 2013 Asia Pacific Games**

Ms CLAYDON (Newcastle) (13:51): Yesterday marked the United Nations sanctioned International Day of People with Disability, and I rise to acknowledge a significant event occurring in my electorate of Newcastle this week. On Sunday night, I had the pleasure of attending the opening ceremony of the Special Olympics 2013 Asia Pacific Games at the Hunter Stadium in Newcastle. The ceremony was breathtaking. It featured around 2,000 local dancers, singers, acrobats and artists, as well as stars of Australian music such as Iva Davies, Marcia Hines and Anthony Callea. It was especially fitting that the games were opened by a long-term supporter and advocate for people with disability the Governor-General, Her Excellency Quentin Bryce, and it was my great pleasure to welcome her to Newcastle.

The week-long celebration and competition of the games brings together 29 nations from across the Asia-Pacific region, with more than 2,500 athletes competing in nine sports. The 400-strong Australian team includes 37 athletes representing the Newcastle and Hunter region. The games are the largest multi-country event ever held for people with an intellectual disability in our region and consequently the nation. Six thousand officials and supporters from interstate and overseas have joined the athletes, with around 200,000 spectators converging on Newcastle for the games. Events like this do not happen without the tremendous support of volunteers, the commitment shown by some 4,000 Novocastrians and the backing of local businesses, all of which truly exemplify Newcastle's community spirit. I congratulate all the athletes, volunteers and officials and hope they enjoy their time in Newcastle. *(Time expired)*

**Corangamite Electorate: Government Investment**

Ms HENDERSON (Corangamite) (13:53): I was delighted to announce today that the federal government will invest $4.17 million in the Golden Plains intensive agriculture precinct in my electorate of Corangamite. This $12 million project, which is now fully funded, will see the construction of a pipeline to deliver potable water to this precinct in Lethbridge. This will create 775 jobs over 10 years and generate some $160 million of local investment. I want to congratulate everyone at Golden Plains Shire, including Mayor Jenny Blake and CEO Rod Nicholls, who worked so hard to make this happen.

We are also investing $3 million in the Geelong Centre for Emerging Infectious Diseases, a wonderful $12 million project for our region. The centre will build on our expertise in animal health research and innovation. Congratulations to the City of Greater Geelong, Deakin University, Barwon Health and the CSIRO.

But there is more: $500,000 will be invested in a recreation precinct in North Torquay and $480,000 in a new kindergarten and community hub in Meredith. These are the projects which Labor announced but never delivered. For months, Golden Plains Shire waited for signed funding agreements which never arrived. This shows yet again that Labor is all
announcement and no action. We are proud to be delivering these projects, growing jobs and building the infrastructure for the future.

**Richmond Electorate: Koala Population**

Mrs ELLIOT (Richmond) (13:54): I rise to speak on the very urgent need to protect the koala population on the Tweed Coast in my electorate of Richmond. I am advised there are currently around 150 koalas left on the Tweed Coast, and our community desperately wants them protected. I support the call from local environmental group Team Koala, from the Tweed Shire Council and from the New South Wales opposition for a dog ban in the Kings Forest housing development to protect the largest koala colony in the Tweed.

The Kings Forest development comprises 4½ thousand lots on 880 hectares on the Tweed Coast. These plans for Kings Forest include housing for around 15,000 people and related public infrastructure. Parts of this development will affect known koala habitat. Currently the application is before the federal Minister for the Environment for his approval, having already been approved by the New South Wales state government.

Team Koala and our community are calling for a dog ban, speed limits, corridors and overpasses in the housing development to protect koalas living there. There is no doubt that these developments need very careful environmental consideration, and I call on both the federal and state governments to recognise the need to protect our koalas and our koala habitat on the Tweed Coast.

I would particularly like to acknowledge the great work of Jenny Hayes, from Team Koala, and Dave Norris. They have worked hard to ensure that the plight of the Tweed Coast koala has been constantly highlighted to the community, and their tireless commitment and dedication has been an inspiration to us all.

**Solomon Electorate: Ambrose Business Solutions**

Mrs GRIGGS (Solomon) (13:56): I rise today to acknowledge the fantastic achievement of a Darwin business owner whose revolutionary adaption of the traditional shopfront earnt him a place in the finals of the 2013 Australian Innovation Challenge Awards. Clinton Hoffman, founder of Ambrose Business Solutions, was shortlisted in the community services category for his innovative Walkabout Your Business pop-up village concept, a concept which has been opening plenty of eyes to alternative business models since it first began two years ago. Mr Hoffman has told me that he believes the pop-up business village concept will provide substantial opportunities to all Australians to establish low-cost, readily available business infrastructure and that it will go a long way towards providing opportunities for Indigenous Australians to maximise business opportunities that exist in their towns and communities.

Shopping villages will be created from shipping containers. Would-be entrepreneurs can start businesses in a safe, supportive environment with low overheads and access to finance, with ongoing support provided to on-the-ground staff by qualified business mentors. The containers are usually rented out for between $300 and $500. They can be painted, insulated and have windows—so it all looks like a real, proper shop. There is no limit to the enterprise opportunities for the pop-up business model. If you have got imagination then you should get in touch with Mr Clinton Hoffman. Congratulations to him and the Ambrose team.
Canberra Electorate: Lifeline

Ms BRODTMANN (Canberra) (13:57): I am sure that all members here are aware of the incredibly important work that is done by Lifeline. Lifeline's vision is simple: an Australia free of suicide. Lifeline was founded in 1962 by the Reverend Dr Sir Alan Walker after he took a call from a distressed man who later took his own life. Determined not to let isolation and a lack of support be the cause of more deaths, he launched a 24-hour crisis support line—which now answers around 1,800 calls each day, with around 50 being from people at high risk of suicide. Lifeline's services are made possible through the efforts of around 1,000 staff and 11,000 volunteers operating from over 60 locations nationwide.

Ahead of International Volunteers Day tomorrow, Lifeline Canberra is today celebrating 40 years of its famous fundraising book fairs, which have raised millions of dollars over this time to fund Lifeline's crisis support services in the ACT. Today is a chance to thank the hundreds of enthusiastic volunteers whose dedication and hard work have made this possible. It is also a chance to thank Lifeline for the vitally important work it does in our community. Lifeline will hold an open day today at its warehouse, and, in addition to the birthday cake, a new commemorative photo wall will be unveiled, recognising individuals who have played a significant role in the book fairs over the last 40 years. Tomorrow, to mark International Volunteers Day, the Governor-General will visit Lifeline Canberra to thank volunteers for their tireless work. Happy 40th birthday, Lifeline book fair.

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

QUESTIONS WITHOUT NOTICE

Alcohol and Other Drugs Council of Australia

Ms KING (Ballarat) (14:00): My question is to the Minister for Health, and I refer the minister to this letter I hold from the Prime Minister to the Alcohol and Other Drugs Council, dated 14 October this year, in which the Prime Minister stated, 'I look forward to working with you in the years ahead.' Can the minister explain why, just six weeks later, he cut the council's funding and forced them into voluntary administration? Hasn't the minister directly contradicted his Prime Minister?

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (14:00): The reason is that Labor left us with $370 billion worth of debt. That is a problem, isn't it? The problem is that Labor spent money in the Health portfolio on building bureaucracies and on services that were not directly benefiting patients. And, yes, we have got tough decisions to make as a government. There is no secret about that. The argument that is being put forward by the opposition really tries to hide the fact that we have not only a Department of Health but also 21 outside agencies, many of them created by the previous government; and, if we want to make sure that we can get money to patients, get better health outcomes and deal with Labor's debt at the same time, then we have to make tough decisions.

Ms King: Madam Speaker, I seek leave to table the letter, in which the Prime Minister says, 'If you ever believe that the government can do better, please let me know.'

The SPEAKER: Leave is not granted.

Mr Abbott: I am happy to have it.
Ms King: The Prime Minister said yes.

The SPEAKER: The Prime Minister is happy to have it. Leave is granted.

Abbott Government

Mr MATHESON (Macarthur) (14:01): My question is to the Prime Minister. Will the Prime Minister tell the House the practical benefits for Australian families and businesses of a government keeping its commitments?

Mr ABBOTT (Warringah—Prime Minister) (14:02): I thank the member for Macarthur for his excellent question and I can inform him that, every day since the election, this government has been cleaning up Labor's mess by keeping our commitments. We are seeking to repeal the carbon tax because that is exactly what the people voted for—a repeal of the carbon tax—and because repealing the carbon tax will help every household in this country to be $550 a year better off. We are repealing the mining tax because that is what the people of Australia voted for and because repealing the mining tax will boost investment, it will boost jobs and it will be a $13 billion boost to the budget bottom line as well. We are attempting to reinstitute temporary protection visas because, again, that is what the people of Australia voted for and because reinstating temporary protection visas will help clean up Labor's border protection mess. Never let it be forgotten that, under the members opposite, we had 55,000 illegal arrivals by boat, we had an $11 billion border protection budget blow-out and, tragically, we had more than a thousand deaths at sea.

So we are doing what the people voted for. But it does not matter what the people of Australia voted for; the members opposite are voting against it. They are voting against the carbon tax repeal. They are voting against the mining tax repeal. They are voting against temporary protection visas. But now they are even voting against measures that the former government announced—education measures that the former government announced. Not only are they trying to stop this government from keeping our commitments; they are trying to stop this government from keeping their own commitments. That is the craziness of the current Leader of the Opposition. Today he is out there attacking the government because school education performance declined between 2009 and 2012, as if that is our fault. As if that is our fault! So not only is the Leader of the Opposition in denial about the change of government; he is in denial that he was ever in government! He just does not get it. Don't mind what he says. When it comes to a vote, this Leader of the Opposition always votes for higher taxes and more boats.

Abbott Government

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:05): My question is to the Prime Minister. Before the last election, the Prime Minister described the Greens as 'economic fringe dwellers'. Before the last election, the Treasurer said:

… if debt is the problem, more debt is not the answer.

So now will the Prime Minister rule out doing a deal with the 'economic fringe dwellers' to scrap the debt cap, or will the coalition say one thing before an election and do the exact opposite afterwards?

Mr ABBOTT (Warringah—Prime Minister) (14:06): Bad as the Greens are, it was not the Greens who gave us the five biggest deficits in Australian history. It was the members opposite who gave as the five biggest deficits in Australia's history. And, yes, I agree that the
Greens have been economic fringe dwellers. That just means members opposite are worse than the Greens when it comes to economic vandalism.

**Asylum Seekers**

**Mr CRAIG KELLY** (Hughes) (14:06): My question is to the Minister for Immigration and Border Protection. Minister, what steps has the government taken to honour its commitment to my constituents to stop the illegal arrival of people by boat?

**Mr MORRISON** (Cook—Minister for Immigration and Border Protection) (14:06): I thank the honourable member and my neighbour and colleague from the shire for his question. The right policies on border protection are now in the right hands and they are getting the right results. We have had a reduction of more than 80 per cent in illegal arrivals to Australia by boat.

**Mr Marles interjecting**—

**The SPEAKER:** The member for Corio!

**Mr MORRISON:** We are doing that because we are denying people smugglers the product to sell. We are doing that through our deterrence and disruption operations.

**Mr Marles interjecting**—

**The SPEAKER:** The member for Corio will desist!

**Mr MORRISON:** We are doing that by putting offshore processing in place, the way it was designed, not the way the previous government was doing because they had to be dragged kicking and screaming to implement it.

**Mr Marles interjecting**—

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

**Mr MORRISON:** Here onshore we committed to reintroduce temporary protection visas and we did exactly that. No government that is serious about border protection honours the promises of people smugglers and hands out permanent residency in this country to people who came to Australia illegally by boat. This is what those opposite want to see happen now and that is why they combined together with the Greens the other night to try to keep open the visa shop which they ran for more than five years handing out permanent visas to people who had arrived illegally by boat. Those opposite combined with the Greens the other night to try to open that shop again. That shop is shut. This government has taken action to ensure that, despite the deplorable actions of the Greens and Labor acting in concert, the visa shop for those who have come to Australia illegally by boat is shut. The practice of the previous government was to keep that shop open. The key stewards of that shop sit on the benches opposite.

**Mr Stephen Jones interjecting**—

**The SPEAKER:** The member for Throsby will desist!

**Mr MORRISON:** There were gold medal performances from many of them. The previous minister for immigration, now Manager of Opposition Business, handed out 539 permanent protection visas during the few short months that he sat in the chair. He also had the highest month of arrivals of any month under their deplorable record in government of 4,239. Then there is the member for Gorton. He handed out 977 permanent protection visas to
people who came to Australia illegally by boat, over which time 12,386 people turned up on his watch. His gold-medal performance was ensuring that the boats continued to come on his watch.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs!

Mr MORRISON: But the stayer was the member for McMahon, now the shadow Treasurer, who handed out 11,122 permanent protection visas to people who came illegally by boat. That is the record. For six years those opposite ran a visa shop for people smugglers. That shop is now shut under this government.

Budget

Mr BOWEN (McMahon) (14:09): My question is to the Treasurer. I refer the Treasurer to comments he made before the election that, 'If debt is the problem, more debt is not the answer.' What concessions has the Treasurer offered the Greens in return for allowing unlimited debt? Is this not another example of the coalition saying one thing before the election and doing the exact opposite after the election?

Mr HOCKEY (North Sydney—The Treasurer) (14:10): My advice to the member for McMahon is: don't go into battle with a pocket knife! He has come into this chamber and engaged in debate about debt. Labor is the party of debt. Labor created the debt—more than $400 billion of gross debt—and Labor does not want to accept personal responsibility.

Mr Perrett: $36 billion since you have been in office.

The SPEAKER: The member for Moreton is warned!

Mr MORRISON: Here is a revelation: the member for McMahon introduced the debt limit of $75 billion. That did not go too well. Then they increased it to $200 billion, but that did not go too well. Then $250 billion and that did not go too well. Then $300 billion and that has not gone well. Then Labor left us with a debt legacy that well exceeds $400 billion—

Mr Dreyfus: When?

Mr HOCKEY: and that is after we left them in government with a net asset position of $60 billion. We left them $60 billion in net assets and Labor has left us with gross debt of over $400 billion. Prime Minister, I never would have thought I would be standing at the dispatch box saying the Greens are proving to be more reasonable than the Labor Party. I cannot believe it. The Greens were business partners with the Labor Party in the last government. They were so close to each other that we were watching the wedding video. Do remember that? That is how close they were. I sense there is now a bit of separation anxiety.

Mr Bowen: Madam Speaker, I rise on a point of order as to direct relevance. The Treasurer was asked what concessions he has offered the partners, the Greens, to have unlimited debt.

The SPEAKER: There is no point of order.

Mr HOCKEY: I say to the member for McMahon: there are no concessions because we believe in transparency. Do you know what? Transparency is foreign to the Labor Party. In the last term of government the Labor Party spent so much time knifing each other in the back that they forgot to run the country. So the debt and deficit blew out and now the Greens are saying to us, 'We recognise that someone needs to accept responsibility for this. We are
prepared, in good faith, to help you address the problems that Labor left behind.’ So, if the
Greens are prepared to be reasonable on a budgetary matter, I am prepared to accept that.
Everyone is entitled to a cathartic change in attitude. I welcome that. They are fantastic. I say
to the member for McMahon: you left us with your problems; do not stop us from fixing
them.

Parliament House: Security

Mr PALMER (Fairfax) (14:13): My question is to the Prime Minister. Following the
revelations in the Senate in November that the data of up to five members of parliament are
being accessed, are any crossbench members, including me, having their phones and their
e-mails tapped or intercepted by any Commonwealth or state agency, or is any foreign
government doing this to give the government plausible denial? Are our parliamentary offices
bugged?

Mr ABBOTT (Warringah—Prime Minister) (14:14): I thank the member for Fairfax for
his question and I congratulate him on his recent election to this place. I hope that he and all
members of his group can make a very constructive contribution to the deliberations of this
parliament. On the question the member has asked—

Mr Katter: On a point of order, Madam Speaker—

Honourable members interjecting—

The SPEAKER: I say to the member for Kennedy that it had better be a proper point of
order.

Mr Katter: Two weeks ago, they had me in the Greens. Today—

The SPEAKER: What is the point of order?

Mr Katter: I am in Clive's party. Please, Mr Prime Minister—

The SPEAKER: The member will resume his seat!

Mr ABBOTT: I remind the member for Fairfax, his fellow Independents and the minor
party members up there on the crossbenches that it has never been the practice of any
government in this country to comment on the specifics of operational intelligence matters. I
also make the point that no-one's phone can be tapped—no-one's conversations can be
listened into—without a specific warrant. Our intelligence services, both here and abroad,
operate under the very strictest of safeguards. Firstly, there is the Parliamentary Joint
Committee on Security and Intelligence and, secondly, there is the Inspector-General of
Security and Intelligence. So I can assure the member for Fairfax that he can speak in peace,
so to speak, without any fear that anything untoward is going on.

Asylum Seekers

Mr RANDALL (Canning) (14:16): My question is addressed to the Minister for
Immigration and Border Protection. Can the minister advise the House what steps the
government has taken to clear the processing backlog of 33,000 people who had arrived
illegally by boat under the former government? What impact has this had on the immigration
detention network and bridging visa program?

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (14:17): I
thank the member for Canning for his question. He has, for many years, been a keen advocate
in this place for strong border protection.
The previous government left behind a considerable mess on many fronts, but there is no greater mess than the one they have left behind on our borders. Over 50,000 people turned up illegally by boat under the previous government. The secret the previous government never wanted to share with the Australian people before the last election is that 33,000 of those people who arrived on their watch remain onshore, unprocessed and undetermined—leaving behind a massive backlog of chaos to be addressed by an incoming government. They simply wanted to dump the problem on a future government. My colleagues and I are all having to deal with the problems they have dumped on us as we go through the process of seeking to restore sense to government policy, particularly in this area.

When you leave 33,000 people in immigration detention, on bridging visas and in community detention, that has a profound impact on the way the system works. It draws down heavily on the resources of the immigration department and impacts on their ability to address the many other areas of important work we do. But the single greatest impact on the immigration program caused by the failures of the previous government was that the loss of confidence Australians had in our border protection led to them questioning the immigration program itself. That is a tragedy. What we are doing is restoring that confidence in our borders and restoring that confidence in our immigration program. The way we are doing that is by moving to restore temporary protection visas.

Mr Stephen Jones interjecting—

The SPEAKER: The member for Throsby will desist!

Mr MORRISON: When, upon coming into government, we announced that we were restoring temporary protection visas, 181 people out of that 33,000 decided to go home—because they were not going to hang around just to get a temporary protection visa. They had been hanging around hoping to get a permanent visa. But Labor and the Greens combined to vote against what the Australian people voted for. They voted to honour the promises of the people smugglers, a promise made on their watch to the people who came here on their watch.

But there are many other measures that we are introducing. We are withdrawing taxpayer funded assistance for migration and legal advice on their claims.

Mr Stephen Jones interjecting—

The SPEAKER: The member for Throsby is warned!

Mr MORRISON: We are ending the tick-and-flick process that led to more than 90 per cent of claims just being rushed through the system because the visa shop owners over there could not be too quick or too hasty to hand out those visas to them.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs is warned!

Mr MORRISON: We are introducing mutual obligation arrangements for those who remain here and we are working hard to send people who are not refugees home. That is what we are doing; we are cleaning up the mess. This is a mess left behind by the previous government and we are cleaning it up.
DISTINGUISHED VISITORS

The SPEAKER (14:20): I advise the House that we have present with us today the Hon. Barry Cohen, a former minister and federal member for the seat of Robertson; a delegation from the secretariat of the League of Arab States; and the Hon. Will Hodgman, the opposition leader in the Tasmanian parliament. We welcome all of you to the House.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Education

Ms KATE ELLIS (Adelaide) (14:20): My question is to the Prime Minister. I refer the Prime Minister to the PISA research released overnight which confirms that Australia has one of the widest equity gaps in educational outcomes in the OECD. Will the Prime Minister today commit that all six of the Gonski loadings will actually reach the individual students who need them?

Mr Pyne interjecting—

Ms KATE ELLIS: This is actually not a joke, Christopher.

The SPEAKER: The Prime Minister will ignore the end part of that question.

Mr ABBOTT (Warringah—Prime Minister) (14:21): I thank the member opposite for her question. I am very concerned about what this report shows about declining academic standards between 2009 and 2012, when—guess who?—members opposite were in government.

Opposition members interjecting—

Mr ABBOTT: Who was in government between 2009 and 2012?

Opposition members interjecting—

Mr ABBOTT: Members opposite, led by their leader, are bellowing, 'No excuses!' I do not intend to offer excuses for Labor's bad performance. They offer excuses; I will not. I must tell the Leader of the Opposition that academic standards declined seriously when he was the education minister, when the former government was in power, despite—

Mr Brendan O'Connor interjecting—

The SPEAKER: The member for Gorton is warned.

Mr ABBOTT: Academic standards declined when the Leader of the Opposition was Minister for Education despite Commonwealth real spending on schools going up by 10 per cent in that period. They spent more money and got worse results—that is the truth. We will put back the $1.2 billion that they ripped out—

Mr Dreyfus: False claims.

The SPEAKER: The member for Isaacs will remove himself from the House, under standing order 94(a).

The member for Isaacs then left the chamber.

Mr ABBOTT: We will put that money back, but it is not all about money. It is also about higher standards and, unlike members opposite, we will work with the states to bring about
greater principal autonomy, greater school autonomy, greater parental involvement and higher standards.

**Ms Kate Ellis:** Madam Speaker, I rise on a point of order on relevance. Will the Prime Minister refer to the six loadings—he committed to two yesterday—

**The SPEAKER:** There is no point of order. The Prime Minister has concluded his answer.

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**Education**

**Mrs PRENTICE** (Ryan) (14:23): My question is to the Minister for Education. I refer the minister to the international findings that have recorded Australia's worst result in literacy, numeracy and science, despite an increase of 44 per cent in education funding and smaller class sizes over the last decade.

*Opposition members interjecting—*

**The SPEAKER:** The member for Ryan is entitled to be heard in silence. Because of the noise on my left, I cannot hear her. The member for Ryan will start her question again.

**Mrs PRENTICE:** Obviously an uneducated opposition. I refer the minister to the international findings that have recorded Australia's worst result in literacy, numeracy and science, despite an increase of 44 per cent in education funding and smaller class sizes over the last decade. Minister, what is the government doing to address the sliding standards in Australian schools that it inherited from the previous government?

**Mr Bowen:** Madam Speaker, I rise on a point of order. I would have thought the point of order would be fairly self-evident. The member should withdraw.

**The SPEAKER:** Perhaps the member for Ryan might withdraw the remarks she made prior to repeating her question.

**Mrs PRENTICE:** Certainly, Madam Speaker—I withdraw.

**Mr PYNE** (Sturt—Leader of the House, Minister for Education) (14:25): I am grateful to the member for Ryan for asking about this very serious issue. Unfortunately the Program for International Student Assessment results released today are the worst results for Australia since this assessment was created in 2000. They are the worst results by a long chalk. Between 2009 and 2010, Australia's ranking in the PISA fell from 10th to 16th in science, from 15th to 19th in maths and from ninth to 14th in reading—the biggest drops ever in the 13 years of PISA.

*Ms Plibersek interjecting—*

**The SPEAKER:** The Deputy Leader of the Opposition is warned.

**Mr PYNE:** This is despite the fact that over the period of the previous Labor government they spent almost $20 billion in new spending on things like school halls and laptops and computers. Building the Education Revolution cost the taxpayer almost $20 billion. In real terms they increased education spending by 10 per cent, and in that period they were entirely responsible for a drop in the education outcomes of our Australian students. The Leader of the Opposition was out there today blaming the Howard government. Not only is the Leader of the Opposition a government change denier; he is now a Gillard government denier. Apparently it never happened. They are like the Rip Van Winkle years—the last six years never occurred. There was no Rudd government, there was no Gillard government. There is
no way that the opposition can get away from the fact that from 2006 to 2013 they were in power. These PISA results were taken entirely when they were in power. It had nothing to do with the Howard government.

The Leader of the Opposition tried to blame the SES funding model. The SES funding model, which Labor say they hate, delivered 10 per cent more spending to schools in real terms in that period and results declined. Why did they decline? It was because of Labor's complete failure to recognise that money is not everything in education. It is about teacher quality, it is about a robust curriculum, it is about parental engagement, it is about principal autonomy and it is about discipline. Labor always completely misses the point on education. They think if you throw more money at a problem it will be solved. The PISA results today indicate that that is completely false—you can spend more and more money, which they insist on doing, but unless you get teacher quality right you will not bring about better outcomes. PISA also found that in Australia it was teacher quality that was the No. 1 determinant of student outcomes. It said that it did not matter what school you went to; it mattered which teacher your class was allocated.

**Education**

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:28): Last week our friend the Minister for Education said he did not believe there was an equity problem in Australian schools. Today experts say there is in fact an equity problem in Australian schools. Prime Minister, who can Australians trust—the international experts or your education minister?

Mr ABBOTT (Warringah—Prime Minister) (14:28): The only group that you cannot trust are members of the Australian Labor Party. There was nothing equitable about ripping $1.2 billion out of schools in Queensland, Western Australia and the Northern Territory. What was fair and reasonable about having a system of school funding that was neither fair nor national? The people of Australia trust this government to keep its commitments to clean up Labor's mess, and that is exactly what we are doing.

**Economy**

Mr WOOD (La Trobe) (14:29): My question is to the Treasurer. Can the Treasurer outline what the national accounts figures show about the Australian economy? What are the impediments to boosting growth?

Mr HOCKEY (North Sydney—The Treasurer) (14:29): I thank the member for La Trobe for winning back his seat. I am sure that Jason Wood 2.0 is going to be even better than Jason Wood 1.0, because he shares the same values that we all share, and they are that you want to have a strong economy with good jobs growth and you want to give people hope that tomorrow is going to be better than today. Today the Australian Bureau of Statistics released the September quarter national accounts. This is the final statement on the economy that Labor left behind. It shows that the economy is growing at below trend. It shows rising unemployment and it proves that the deficit has been deteriorating. It also proves that the debt is going to keep increasing. The fact of the matter is that the economy is now going to have to deal with the fact that mining investment is going to come off from around eight per cent of GDP to three per cent of GDP. One of the challenges for us—which we are up for—is that we have to build the infrastructure that is going to help to drive a productive economy over the next few years. It is now time to retool Australia for the challenges that lie ahead. The Prime
Minister—the infrastructure Prime Minister—is absolutely committed to that, as are all members of the coalition.

Opposition members interjecting—

The SPEAKER: The member for McMahon!

Mr HOCKEY: But there is a roadblock—the Australian Labor Party. The Australian Labor Party is blocking initiatives, like the abolition of the carbon tax, that are going to help to grow the Australian economy. This will, in fact, grow the Australian economy because of its abolition. As proven by Treasury data, the carbon tax is a handbrake on growth, there is no doubt about that. But the Labor Party wants to keep that handbrake in place. When you have mining investment coming off, the Labor Party's solution is to do everything it can to keep a tax on mining. When mining investment is coming off, what does the Labor Party do? It says, 'Do everything you can possibly do to make it harder to open a mine in Australia.' That is what it wants.

Well, that is the Labor Party, because the Labor Party just does not get it. It does not understand that more taxes and more regulation inhibit growth. They inhibit aspiration. They inhibit the capacity of business to employ more people and to give Australians hope that tomorrow will be better than today. The Labor Party thinks of the last six years as a great big black hole. Nothing happened. The problem is the damage that it has done. What it has left Australia with is an economy that is underperforming. It is stuck in second gear. But what I say to the Australian people is: the coalition is up for the challenge. We are ready to help to grow the Australian economy.

Education Funding

Ms OWENS (Parramatta) (14:32): My question is to the Minister for Education. I refer to Merrylands High School in my electorate, where 70 per cent of students speak a language other than English at home. Given that the Minister for Education has confirmed that his deals are 'no strings attached', will the minister guarantee that individual students at Merrylands High School will receive the Gonski loading for students with limited English?

Mr PYNE (Sturt—Leader of the House, Minister for Education) (14:33): I am grateful to get this question from the member for Parramatta. The government announced on Monday that we would put an extra $1.2 billion into schools in the Northern Territory, Queensland and Western Australia to pay for the loadings—

Opposition members interjecting—

The SPEAKER: The minister is answering the question as it has been asked. Perhaps if you listen you might get some information.

Mr PYNE: We announced on Monday that we would put an extra $1.2 billion into Western Australia, the Northern Territory and Queensland, which will pay for base funding and loadings in those states over the next four years. That is the formula for the model and so, axiomatically, that means that loadings and the base funding will be contributed to by the Commonwealth. That also means that, from 2014 onwards, New South Wales, Tasmania, South Australia, Victoria and the ACT will all have their funding entirely secured. This means that loadings and base funding will also be paid for, contributed to by the Commonwealth in those states and territories. What the government can guarantee is that we are putting $1.2 billion into Western Australia.
billion more into the school funding model to ensure that the full amount of money flows to the states—

Ms Owens: I raise a point of order on relevance, Madam Speaker. The question was whether the funding would reach the students, not—

The SPEAKER: No, repeating the question does not constitute a point of order. The point of order has to show where the relevance is required. There is no point of order.

Opposition members interjecting—

Mr PYNE: One of the members opposite just said, 'Has he even mentioned loadings?' I think if they check the Hansard record they will find I have mentioned it several times already in this answer. If the member for Parramatta knew anything about how the model worked, she would have been too embarrassed to move her point of order, because, of course, the Commonwealth pays the money to the states and territories. The states and territories distribute it to the students and to the schools. This was the model under Labor, under the Howard government, under the Rudd-Gillard government—which apparently never happened—and it is the model under the Abbott government. It is called block funding to states and territories and to the Catholics. The only schools that are directly funded by the Commonwealth are independent schools, and even that money flows through the states first and then to the independent schools. The whole problem with the opposition's position on this is that they do not understand the model. They do not understand the education system. It is very complicated, I grant you, but when the member for Parramatta is given a question by the Manager of Opposition Business in the House she should check it herself. Because by the very fact of putting $1.2 billion in that the Leader of the Opposition ripped out, we are securing the funding for all other states and territories. If Labor had been re-elected, there would have been no conditions, loadings or base funding support for Western Australia, Queensland and the Northern Territory, because Labor was giving them a great big fat zero.

Opposition members interjecting—

The SPEAKER: The member for Adelaide will desist!

Mr PYNE: They were giving them nothing at all. The public will dismiss all the cant and hypocrisy you hear from the other side of the House, because they know that one side is giving $1.2 billion, while the other side was giving a great big fat zero to three important jurisdictions in Australia.

Budget

Mr TONY SMITH (Casey) (14:37): My question is to the Treasurer. I ask the Treasurer to outline the state of the budget inherited by the new government, and to inform the House about any impediments to fixing the budget and building a stronger economy.

Mr HOCKEY (North Sydney—The Treasurer) (14:37): I thank the member for Casey. He was around when the coalition last took government; he was working in Peter Costello's office. And he will well remember the Beazley black hole—the $10 million Beazley black hole. Well, now we have a Bowen black hole that is far larger than the Beazley black hole, and it continues to grow. The Labor Party has not only bequeathed us a budget with deficits as far as the eye could see—and when we release MYEFO in the next few days, you will see just how bad the books have been under Labor—but it goes beyond that: the Labor Party is so determined to wreak havoc on the Australian budget—from opposition—that they are
opposing not only the savings that we took to the last election but also the savings that they
took to the last election. Hang on, they not only want us to keep our promises, but they want
us to break their promises. That is exactly what Labor wants. Not only are they saying, 'Well,
we are not going to allow you to reduce the debt by $13 billion, by getting rid of the mining
tax'—no, no—and, 'Not only are we going to prevent you reducing the debt by $7 to $8
billion, by getting rid of the Clean Energy Finance Corporation'. Oh no: they want to prevent
us from reducing the debt because they want to go against their own election savings. They
announced the savings to fund the Gonski education reforms. Let's get this right: Labor wants
us to keep their policies when it comes to expenditure but they do not want us to keep their
policies when it comes to the savings to pay for that expenditure. That is pathetic. It is
genuinely pathetic. You know, in opposition, you actually have to have economic integrity—
and the Labor Party has none. It had none in government. It has none in opposition.

Opposition members interjecting—

Mr HOCKEY: I see a chortling member for Lilley over there—what a cracker! I want the
member for Lilley to stay in this parliament as long as possible. That is what I want. Don't go
away, Wayne! We know he is shopping his CV around every headhunter around the Southern
Hemisphere but I say to the member for Lilley: don't go away—because the member for
Lilley is going to be a constant reminder of the hypocrisy of Labor. He stood at this very
dispatch box, beat his chest and said, 'It is outrageous, isn't it?—it is outrageous that we want
to try and run a reasonable budget and the opposition over there is stopping us'. I would say to
the member for Lilley: whisper in the ear of the Leader of the Opposition and explain to him
that economic credibility comes from doing the hard yards.

Education Funding

Ms OWENS (Parramatta) (14:40): My question is to the Minister for Education. Minister,
how will the government ensure that the students at Merrylands High School actually get the
funding?

Mr PYNE (Sturt—Leader of the House, Minister for Education) (14:40): The good news
for the parliament is that the coalition announced on Monday that we would spend $1.2
billion more on school education—so that students in Queensland, the Northern Territory and
Western Australia were not treated as second-class citizens. We expect the states to make
whatever contribution their budget allows them to towards the entire funding—to the loadings
and to the base funding for the new school funding model—because we intend to treat the
states and territories like adults. We do not believe in the central command and control model
that Labor believes in—running things from Canberra. As I explained yesterday to the
member for Adelaide—and it is no wonder she has given this question to the member for
Parramatta today, because yesterday the member for Adelaide was delivered a lesson on how
the system works in Australia—there are state schools and there are non-government schools.
The non-government schools are run by Catholics, Lutherans, Anglicans, and independent
Christians; there are Jewish schools; Muslim schools; and some are entirely non-
denominational. And then there are state schools. And they are owned and operated by the
states and territories. So we have decided that a good way to fund schools is to treat the states
and territories like they are adults. The Commonwealth will make its contribution; in fact, we
will go even further than the promise Labor made in the election. Labor wanted to give $1.6
billion—
Opposition members interjecting—

The SPEAKER: The Deputy Leader of the Opposition might like to remember she is warned, or she might like to join the member for Isaacs.

Mr PYNE: to schools; we will give $2.8 billion to schools over the next four years. We have put $1.2 billion in; Labor ripped out $1.2 billion. The member for Parramatta talks about strings being attached to New South Wales funding. The Labor Party’s model was not that it had no strings attached—it had no money attached! If I was a state Treasurer or Premier, I would prefer the money to the strings. The coalition will provide the money to the states and territories, and we will treat them like adults, as they deserve. And they will be answerable to their electors at their election times in the same way as we are answerable to ours.

Carbon Pricing

Ms SCOTT (Lindsay) (14:42): My question is to the Minister for the Environment. I remind the minister that the New South Wales Treasurer estimates the carbon tax cost to schools and hospitals in my state of New South Wales is $46 million a year.

Mr Bowen interjecting—

The SPEAKER: The member for McMahon is warned.

Ms SCOTT: This is money that could otherwise be spent on educating our children and treating the critically ill. Why is it crucial to remove this tax from essential services as quickly as possible?

Mr HUNT (Flinders—Minister for the Environment) (14:43): May I congratulate the member for Lindsay on a famous victory—in particular, all done without a Julia Gillard tattoo. The member for Lindsay is absolutely right. States and territories have been slugged, in terms of their services, with the carbon tax. Last week, we learned that Victoria had a $13½-million-a-year electricity and gas bill as a consequence of the carbon tax on their hospitals. Yesterday, the South Australian government confirmed a $10-million-a-year hit on their hospitals, their schools and their police stations in their Mid Year Budget Review—and they have already banked the savings from the repeal.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton was warned before. One more and he is out.

Mr HUNT: Today, however—sadly—the news is worse. In the case of New South Wales the figures, according to the New South Wales Treasury, are a $46-million-a-year hit on their hospitals and their schools. That is a hit of $26 million a year, at an average of $120,000 per hospital, on the health system. Hospitals such as the Nepean Hospital in Lindsay and world-leading hospitals such as Westmead Children’s Hospital or St Vincent’s Hospital, with its extraordinary cancer services, are being hit with higher electricity and gas costs as a result of the carbon tax. The carbon tax bill for schools in New South Wales is $20 million—schools like Mulgoa Primary School and Castlereagh Primary School are paying an average of $9,100 a year.

Against that background of a carbon tax on hospitals and schools and police stations, who supports the current carbon tax? Is there one brave soul who will stand up and support the carbon tax which they voted in and which came in less than 18 months ago? We heard today that the member for Lilley is alive and well. I am glad. He was the one who said only a few
years ago that it would be hilarious if Labor brought in a carbon tax. It was not hilarious, but they did bring it in. Good old Mr Hilarity! We have here the member for Corio who told us that we had a mandate to remove the carbon tax. He clearly does not believe it. What about the Leader of the Opposition, who wants to terminate the carbon tax? Sadly, Prime Minister, he is not the terminator—although he did terminate two prime ministers. He is the inflator, because under his carbon tax the price was to go from $24 to $38 on Labor's own modelling. We will remove the carbon tax; we will take the pressure off hospital services; and we will take the pressure off school services. (Time expired)

The SPEAKER: The member for Rankin is asking his maiden question, but he has also been out on standing order 94(a). He is a quick learner, I hope.

**Education Funding**

Dr CHALMERS (Rankin) (14:47): Whatever you say, Speaker. My question is to the Minister for Education. I refer to Woodridge State High School in my electorate, where 60 per cent of students come from the lowest socioeconomic backgrounds. Given that the Minister for Education has confirmed that his deals have 'no strings attached', how will the minister ensure that individual students at Woodridge State High School will receive the Gonski loading for disadvantaged kids?

Mr PYNE (Sturt—Leader of the House, Minister for Education) (14:47): I am surprised and delighted to get a question from a Queensland Labor member about the school funding model, because the Manager of Opposition Business is setting up a number of his colleagues today. Under the Labor Party, Queensland would have been denied $794 million in funding.

**Government members interjecting**—

Mr PYNE: If the member for Rankin were sitting on this side of the House, he would be saying to the students of Woodridge High School—I think it was—'We're going to leave you $794 million short across Queensland.' What an own goal! He is not exactly a neophyte in this building. I think the member used to work for the Treasurer, and so something has rubbed off on the member for Rankin, and it is not good. The former Treasurer used to stand up and drop a few clangers in this place and the current Treasurer used to pick him up. The poor old member for Rankin has been sent out there and told to run in front of that vehicle to see if it runs him down. If it doesn't, and you get up, we'll look after you.

The SPEAKER: Has the minister concluded his answer?

**Government members:** More! More!

Dr Chalmers: On a point of order, Speaker: relevance.

**Government members interjecting**—

The SPEAKER: There is no point of order.

Dr Chalmers: The minister is yet to mention disadvantaged kids.

The SPEAKER: There is no point of order.

Mr PYNE: The member for Rankin mentions disadvantaged children and it is a very good question, because every child in Queensland would have been disadvantaged under the Labor Party if they had been re-elected. Every single student in Queensland—

Ms Owens interjecting—
The SPEAKER: The member for Parramatta is warned.

Mr PYNE: Every single student in Queensland would be a disadvantaged student under a Labor government, but under the Abbott government, they are $794 million better off. The Labor Party talks about 'no strings attached', and the member for Rankin made the same error. Under the Labor Party, there were strings attached for Queensland, but there was no money for Queensland. Let me pull the member for Rankin up. The Leader of the Opposition, before the election, did a deal with Victoria, and Denis Napthine pinged him, because he said at the last minute—as late as Saturday night—'We had an agreement finally from the federal government that they were prepared to amend the Education Act to confirm the autonomy of Victorian government schools.' In other words, the Leader of the Opposition planned to remove the so-called strings attached before the election. Now, after the election, he is trying to pretend that he was standing up for disadvantaged children. Only one side of the House is standing up for disadvantaged children and it is the one that has put $794 million back into Queensland so that Woodridge High School students get the fair deal they deserve.

Broadband

Mr EWEN JONES (Herbert) (14:51): My question is to the Minister for Communications. I refer the minister to this email from a constituent living in the suburb of Kirwan in Townsville, where there are only 59 available ADSL ports for more than 300 premises. Further, in the Townsville CBD where the NBN has been rolled out, many, many businesses are unable to connect to the network. Can the minister please advise this House how the government plans to fix this NBN mess in my city of Townsville?

Mr TURNBULL (Wentworth—Minister for Communications) (14:51): I thank the honourable member for his question and recall the broadband forums we have held in consultations in his electorate. I can say that the coalition is acutely aware that many parts of Australia have no broadband at all. In fact it is estimated that about two million premises have no broadband at all, which is exactly the same number as in 2007. So, after six years, nothing has been improved. That is why, by the end of the month, I will have a report from my department setting out the ranking of Australia's neighbourhoods in order of their broadband needs, and the NBN's rollout will be prioritised accordingly. So neighbourhoods in the honourable member's electorate which have a high-priority need will be dealt with in priority, as opposed to the current case where, as the member for Chifley knows well, the fibre network is being rolled out in areas of his electorate where there are not one but two high-speed broadband services already available.

One of the problems in the central business district of Townsville is that the previous government, for purely ideological reasons, refused to allow NBN Co. to connect its fibre to a multiplex in the basement of an office building or a block of apartments and then connect to the copper network in the building, which in modern buildings is of very high quality. This is pure ideology. As a consequence, nearly half of all the premises in Townsville that are supposedly passed with NBN fibre cannot connect at all. We are trialling the fibre-to-the-basement technology, which is commonplace everywhere else in the world, and that will ensure that the CBD of Townsville gets connected in a timely way.

The Labor Party has often struggled with getting over these final hurdles, such as actually connecting people to the network. So imagine my surprise yesterday when the former NBN Co. CEO said, 'Were it not for one more problem and the network could have been built on
time and on budget.' He said, 'I didn't think we were going to have a problem with digging holes in the ground.' Given that the project involved digging holes in every street and every front garden in Australia, it is remarkable this problem came as a surprise. It does cause me to wonder what the proponents of other mismanaged ventures could have said as they reflected on the failures: 'I didn't think we would have problems with icebergs'—captain of the Titanic. 'I didn't think we would have a problem with frostbite'—Napoleon.

All of this disastrous mismanagement is a consequence once again of Labor not doing their homework, and once again it falls to the coalition to clean up Labor's mess.

**Education Funding**

Ms KATE ELLIS (Adelaide) (14:54): My question is to the Minister for Education. The minister has repeatedly said that more funding is not the solution for our schools, yet all that he has offered is funding with no strings attached. Minister, which one is it?

Honourable members interjecting—

The SPEAKER: I ask for quiet on my right as well as on my left. The minister has the call.

Mr PYNE (Sturt—Leader of the House, Minister for Education) (14:55): I thank the member for Adelaide for her question, but I must admit it is starting to feel like a turkey shoot up here. I am almost feeling sorry for the member for Adelaide, because she spent all last week saying we were not putting enough money into education, then we put $1.2 billion into education and now she is saying we are putting too much money into education. What is it? Is it too much? Is it too little? The previous government put 10 per cent more into education. They put $16.4 billion into school halls.

Ms Plibersek interjecting—

The SPEAKER: The deputy leader will remove herself under 94(a).

The member for Sydney then left the chamber.

Mr PYNE: They put $2.6 billion into laptops in schools. Is the shadow minister now saying that that was all wasted money? We thought a lot of it was wasted. Like the member for Perth, we are suddenly on the same team again. This is like being attacked by a pot plant! But I will treat the question seriously. The member for Adelaide asks us about whether we are putting too much money in.

Ms Kate Ellis: No, I didn't.

The SPEAKER: The member for Adelaide will desist. She has asked her question.

Mr PYNE: So in effect she has admitted that the previous government took the $1.2 billion out; we have put it back in. We always said we would keep our election commitments, and we have. We have gone further than our election commitments. We have put $1.2 billion more in, but we have always said that funding is only one element of education, which is something Labor has not caught up with.

Ms Kate Ellis: So what are the other elements?

Mr PYNE: We have talked about curriculum—

Ms Kate Ellis: Is that part of the agreement?

The SPEAKER: The member for Adelaide will desist!
Mr PYNE: we have talked about autonomy, we have talked about teacher quality, we have talked about parental engagement—

Ms Kate Ellis interjecting—

The SPEAKER: Does she wish to join the deputy leader?

Mr PYNE: All of those priorities are shared by the states and territories, by the non-government sector, whether it is independent or Catholic. I look forward to working with all my state and territory colleagues, with the Catholics and with the independents to bring about better quality and standards for our students. At least one side of the House takes education seriously. It is this side of the House.

**AIDS, Tuberculosis and Malaria**

Mr ENTSCH (Leichhardt) (14:57): My question is to the Minister for Foreign Affairs. I remind the minister of the challenges caused by HIV, tuberculosis and malaria to the people of Papua New Guinea and the risks of these diseases spreading into Australia. Can the minister inform the House of the government's plans to support the elimination of these diseases?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:58): I thank the member for Leichhardt for his passionate advocacy for those living in his electorate, across Australia and in our region, particularly PNG, who are suffering from these debilitating diseases. The Australian government joins with successive governments in investing heavily in the care, prevention and cure of these debilitating diseases. Over a decade, in relation to HIV-AIDS alone, Australian governments have invested about $1 billion in our region. In relation to malaria, the Prime Minister recently led the way in establishing the Asia Pacific Leaders Malaria Alliance to continue to battle these diseases. Indeed, overnight the Australian Ambassador to the United States, the Hon. Kim Beazley, gave the Australian government's pledge of $200 million over three years to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Two-hundred million dollars is precisely the same amount that the Labor government delivered in the last three years. One would have thought, given the deterioration in the budget over the last three years—the fact that five record budget deficits were delivered by this opposition when in government, the fact that the debt is now skyrocketing past $400 billion—that we would have heard bipartisan support for this significant pledge over three years of $200 million. It is precisely the same amount that Labor delivered.

But no. The now absent Deputy Leader of the Opposition went on the attack and tried to turn our three-year pledge into a political points-scoring exercise. Her mischief knows no bounds. Not only has she been kicked out of the House but what she did not say to the Australian people is that Labor broke their pledge to the global fund. In fact, in 2010 Labor pledged $210 million over three years to fight these diseases and then a couple of years later, when they thought the global fund was not watching, they ripped $10 million out of the global fund commitment. It is not only the Australian people who cannot trust Labor; the global fund and the international community cannot trust Labor.

But it gets worse. At the last election, when Labor left office, not one dollar, no money at all, was allocated in the aid budget forward estimates. They left office without a dollar in the
aid budget forward estimates. That is such hypocrisy. It is about time the Labor Party took responsibility for the mess in which they have left our economy.

DISTINGUISHED VISITORS

The SPEAKER (15:01): I wish to inform the House that we have present in the gallery today members of the fourth delegation from the Republic of Korea, who are visiting under the auspices of the Australian Political Exchange Council. On behalf of the House, I extend a very warm welcome to the members of the delegation. We also have present in the House today Mr Dale Shuttleworth, the member for Ferny Grove in the Queensland parliament. We welcome him as well.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Education

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:01): My question is to the Prime Minister. Yesterday the Prime Minister said that the student resource standard was well known. Today I met with some great students from Cobar High School. Will the Prime Minister inform the House what the student resource standard would be at Cobar High School?

Mr ABBOTT (Warringah—Prime Minister) (15:02): It would depend upon the levels of disadvantage of students at that school.

Agriculture

Mr HOGAN (Page) (15:02): My question is to the Minister for Agriculture. I refer the minister to the statement of the secretary of the Australian Workers Union, Mr Paul Howes, on Sky News's *Australian Agenda* on 1 December that:

… the day of ma and pa farming in Australia needs to end.

What is the minister doing to support Australian agriculture, including smaller farming enterprises?

Mr JOYCE (New England—Minister for Agriculture and Deputy Leader of The Nationals) (15:02): I thank the honourable member for his question and must note that we have adjoining seats. One of our towns is Urbenville. On the way to Urbenville, from either my side or his side, you go past lots of what Paul Howes from the AWU would call ma and pa farms. It is an absolute insult that this has been turned into a pejorative. It is something that reflects in excess of 95 per cent of Australian farming.

But at Urbenville we could talk about the things that the coalition are doing for farming, such as the farm finance package which we have got out today. We have managed to sign off all the mainland states and territories so that we can provide a product that the Labor Party were unable to provide. We would be able to talk about getting the live cattle trade up and running again—

Mr Champion interjecting—

The SPEAKER: The member for Wakefield is warned.
Mr JOYCE: and how we have managed to put a floor back into the cattle market after we found out one night that the country was not being run by the government; it was being run by *Four Corners*. It was an absolute disaster for the people in that trade.

Mr Snowdon interjecting—

The SPEAKER: The member for Lingiari is warned.

Mr JOYCE: We would be able to talk about the election promise we made about the white paper and how we are looking forward to a great future for all farming families in this nation. We would be able to talk about the Northern Australia white paper and how we see a new economic horizon for farming in this nation. We would be able to talk about inland rail and how we are developing major infrastructure to absolutely increase the capacity for the logistics in inland Australia.

But I think it is extremely important that we also talk about Mr Paul Howes, because Mr Paul Howes was instrumental in both the selection and the execution of two former prime ministers of this nation. I find it an absolute insult that, from his lofty heights, he would make a disparaging comment about all family farms. I would like to know if this is the view of his colleague in the AWU, the Leader of the Opposition. Does he also believe that this is the end for ma and pa farms? Is it the end for farming families? Is that the view of the AWU? Is that the view of the Australian Labor Party?

After we get rid of ma and pa farms, are we going to get rid of ma and pa suburbs? Are we going to get rid of ma and pa small businesses? Are we going to put in their place a corporate farm where the future for the sons and daughters of the people who are listening to this is swinging a spanner on someone else's farm? The vision we in the coalition have is that we will own the farm—the Australian family will own the Australian farm. There is a great future for Australian families, and there is a great future in the Australian farm.

Intelligence and Security Committee

Mr FITZGIBBON (Hunter) (15:05): My question is to the Prime Minister. I refer him to his response to the question from the member for Fairfax earlier during question time. Prime Minister, when will you reconstitute the Joint Standing Committee on Intelligence and Security, the only committee yet to be reformed almost three months after the election?

Mr ABBOTT (Warringah—Prime Minister) (15:06): It is a very important committee, and I would expect it to be reconstituted by the end of the week.

Health

Dr STONE (Murray) (15:06): My question is to the Minister for Health. What is the government doing to address the recent issues surrounding the uncertainty of chemotherapy funding for Australian patients? How is this different from other approaches that have been taken in the past?

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (15:06): I thank the honourable member for her question. This is an incredibly important issue for all Australians. About 150,000 chemotherapy patients each year in our country need infusions. The government provides a great deal of support to those services and to the delivery of those drugs. Sadly, those patients were left in great uncertainty under Labor. This is an issue that should have been put to bed a long time ago by the previous government. The problem is that
the Labor Party created a difficulty for the delivery of those chemotherapy services. It caused enormous disruption; many providers said that they would withdraw their services. The previous government put in place some funding, but only six months worth of funding. The most offensive part is that the funding was to have run out on 31 December this year. Potentially, families were facing the dilemma that, over the Christmas break, they were going to have their chemotherapy services cut in the New Year. It was unconscionable. It was one of Labor's worst acts in government. If people think that the Labor mess only extends to education and the way they ripped money out of the economy and wasted billions of dollars, they are wrong.

I am sorry to say that the health portfolio is littered with difficulties of Labor's creation. Last Saturday, the Prime Minister and I went to Sydney, where we made an announcement that we would put in $80 million to provide certainty to those chemotherapy patients. We said to those patients that they could have a Christmas and New Year of certainty knowing that they will be provided with those chemotherapy services. There is certainty for those families. We found a mess of Labor's creation. We fixed it up. We provided certainty to those patients. We will continue until we get better outcomes and more certain futures for Australian patients.

Mr Abbott: I ask that further questions be placed on the Notice Paper.

Ms King interjecting—

The SPEAKER: It doesn't matter. The Prime Minister is entitled to the call and he has moved that questions be placed on the Notice Paper.

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House, Minister for Education) (15:09): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Fiscal Policy

The SPEAKER (15:09): I have received a letter from the honourable member for McMahon proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government’s plan to allow itself to run up unlimited debt.

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

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

Mr BOWEN (McMahon) (15:10): It appears there has been something of a competition going on in the cabinet this week: who can conduct the biggest backflip? Who can create the biggest gap between pre-election rhetoric and post-election reality? It has been quite a competition. You would think, wouldn't you, Madam Speaker, that the Minister for Education had it all sewn up with his clear cast-iron commitments before the election and his backflip of this week—the Pyne gap of difference between his pre-election promise and his post-election
reality. But the Treasurer is a competitive man. He is not going to be bullied out of the prize of the biggest backflip from pre-election rhetoric to post-election reality. This is a Treasurer who railed against debt before the election, who voted against increases in the debt cap, despite their denials in this place and the other place, and who told the Australian people that one of their three great priorities was to pay back the debt. What he did not tell the Australian people is that, to pay back the debt, he is going to increase it first.

Did the people of Australia, when they voted on 7 September, really think they were voting for a Liberal government that would go into an alliance with the Greens to abolish the debt cap? Is that what they thought they were getting on 7 September? We saw the Treasurer with equal measures of chutzpah and hypocrisy say, casually, that he was going to increase the debt cap by 67 per cent, a $200 billion increase. That was bad enough. That came as a great shock to Liberal voters across the country who voted for a party that said they would pay back the debt. But they are going even further; they are voting with the Greens to abolish the debt cap. The Minister for Immigration very helpfully showed us yesterday who the leader of the Greens is. Here is a picture of the Leader of the Greens, whom the Treasurer is doing a deal with to abolish the debt cap in Australia. Is that what Liberal supporters voted for on 7 September? Is that what the Australian people voted for on 7 September?

We hear a lot of rhetoric from the government about debt. Let us see what they said when they were in opposition. We have heard a lot from the Prime Minister. There is a lot to choose from, but my favourite one is when Tony Abbott, the then Leader of the Opposition, said on 2UE on 13 May 2011:

A Government which is supposedly getting debt and deficit under control is not a Government that suddenly wants to borrow an extra $50 billion. It’s like saying to your bank manager ‘look mate I’ve got my spending under control, oh but at the same time can you extend my credit card limit’. I mean, really.

Indeed! This man is now the Prime Minister. He says he is paying off the debt. But he does not want an increase in the credit card limit; he has gone to his bank manager and asked, ‘Why do I need a limit at all? Please get rid of my limit.’ That is the Prime Minister of Australia!

Here is another doozy, from the man who is now Treasurer. He was talking about debt limits—in this House, at this dispatch box—and pointing out that the previous government had had to increase the debt limit. He had a startling revelation to make about who was voting with the government to increase the debt limit. He pointed out—breathlessly, I am sure, beating his chest:

They were supported by their mates, the Independents, and the Greens. The Greens would have a trillion dollars if they could.

That is what the member for North Sydney said: ‘The Greens would actually have no debt limit if they could, and the government is going to give it to them!’ This party that is against debt—the Liberals—is going to give the Greens a no-debt-limit budget. This is a stark example of the Liberal Party and the National Party saying one thing before the election and doing the exact opposite after the election.

The Treasurer had a course of action available to him. In fact, he had two potential courses of action available to him. He could have released the mid-year economic forecast. He says it is coming in the coming days. He could have released it before the parliament voted, because the Labor Party said: ‘We’re not going to do what you did and vote against the debt cap
increases. We're going to move an amendment to say $400 billion is justified by the figures on the public record. If you want more than that, issue MYEFO.'

But, of course, the Treasurer did not want to do that. We could not have that! It would mean the impact of his decisions would be there for all to see: the impact of his $8.8 billion transfer to the Reserve Bank, which has increased our debt cost by $1 billion over the next four years; the impact of his decision to give a tax break to people with more than $2 million in their superannuation accounts; and the impact of his decision to water down Labor's measures to improve the integrity of the tax system. He would not want to do that. He certainly did not want to say, 'All right, what we'll do is increase the debt cap to $400 billion, which is justified by the mid-year economic statement, and when we want more, when we've released our mid-year economic forecast, we'll come back to the parliament.' He did not want to do that, because he does not want to be held responsible for the impact of his own decisions. He does not want to be held responsible for the decisions he has made.

He wants to increase the debt cap now as part of his cunning plan. He has been going around opening cupboards, he says, and finding spiders. Well, he found a cupboard with a AAA credit rating in it. He found a cupboard where the budget situation had been outlined clearly in the pre-election economic forecast, and he does not want to come clean with the Australian people about the impact of decisions he has taken since the election. So the Treasurer had a choice. He could have done the sensible thing and released MYEFO. He could have done the sensible thing and accepted a $400 billion debt cap, a $100 billion increase—not a small amount of money—that the Labor Party was offering in a spirit of mature negotiation. Oh no, that was not good enough for the Treasurer. First, he stamped his feet and held his breath and said, 'I want half a trillion or nothing.' But to either of those two options, he has gone to chat with the Greens about abolishing the debt cap, about getting rid of any credit card limit at all.

I think the Australian people would be surprised to see the Treasurer's actions compared to his rhetoric pre-election. When I see the Treasurer, I think about all that rhetoric we heard before the election. We have heard it from the Prime Minister and we have heard it from the Treasurer. We see this pre-election rhetoric completely unmatched by their actions post-election. The Australian people are entitled to be more than disappointed; they are entitled to be angry. They are entitled to be angry with a Treasurer who said, 'If debt is the problem, more debt is not the answer.' They are entitled to be angry with a Treasurer who said, 'It's only the coalition that is going to pay back the debt.' They are entitled to be angry with a Treasurer who said so obviously, 'The age of entitlement is coming to an end because governments are running out of money and debt is now crippling governments.' This is a Treasurer who now wants to abolish the debt cap in coalition with the Greens, whom they railed against before the election, whom they railed against in this House and in the other place and whom they railed against in the media. They told the Australian people that they could never be in a government with the Greens. But here they are entering into a coalition with the Greens to abolish the debt cap. Who would have thought it?

Have we ever before seen a Treasurer, within such a short period of time—and this is the third sitting week of the new government—being such a diminished figure? He has been bullied and shown up by the Minister for Agriculture. He is not being tough enough, not showing guts enough, to stand up for growth and investment against the antigrowth faction in
his own government, the agrarian socialist Barnaby Joyce. The Treasurer comes in here and beats his chest and then sits in his office and cowards: 'Oh, I couldn't sign that foreign investment. Barnaby might resign. I couldn't do that. The Deputy Prime Minister might get cranky with me. So I'm not going to stand up for growth. I'm not going to go out and argue to the Australian people that investment and jobs are good. No, I'm going to cower in my office. But I can't think of an excuse! What excuse can I come up with? Oh, vetoing GrainCorp! I know what I'll do, I'll say we need more foreign investment in Australia, so I'm going to knock this one back. That's how we are going to get more foreign investment, by knocking them back.'

With this Treasurer and this Prime Minister, never has there been such a clear case of big promises and small delivery. They were, as their promises were then, once mighty. They are now, as their performance is, nothing.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (15:20): It is truly unique to come into this chamber and hear the Labor Party complaining about the level of debt. Talk about a reformist party! I found it fascinating when, a couple of hours ago, as I was flicking through the TV channels, I watched the Treasurer outline the poor state of the nation's economy and of the national accounts as a consequence of what was left behind by the Australian Labor Party. At the conclusion of that press conference, I flicked the channel and I happened to see the shadow Treasurer, the member for McMahon, at the National Press Club. What was extraordinary about his performance was one particular line that really caught my interest. He said, 'Labor needs to be in office for a long time to cement our reforms.' He is nodding in furious agreement. They just needed a little bit more time!

This is the Australian Labor Party who inherited $60 billion of assets six years ago, presided over the five largest budget deficits in our nation's history and who, as a consequence of their policies, saw the most rapid deterioration of debt in our nation's history. Then they come into the chamber and say: 'Oh no, you should trust us on debt. We know the best way forward. Don't trust the coalition on debt.' Look at the track record. It was only the coalition that paid off $96 billion worth of debt last time. Why would you trust us? The Labor Party are the people you should trust, according to the member for McMahon. After all, the Labor Party took $60 billion and turned it into over $400 billion worth of debt!

What is also extraordinary is that the shadow Treasurer, the member for McMahon, likes to say repeatedly—and he did just moments ago—how the coalition could have had the $500 billion debt ceiling, if only the coalition had been willing to release MYEFO, as if in some way insinuating that, once again, the coalition could not be trusted. What is fascinating about that is that this is on Labor's own numbers, not coalition numbers. Do not rely on the figures that we put forward if you do not want to. I say to the Australian Labor Party: use your own numbers. Let me educate the shadow Assistant Treasurer as to which numbers. I am talking about the Pre-Election Economic and Fiscal Outlook forecasts that made it clear that you were going to reach $370 billion worth of debt. And let us not forget the tabled minute from the Australian Office of Financial Management which said that you need a $40 billion to $60 billion buffer. Let me make this easier. I wish I had a big calculator, but I will add it up: $370 billion plus $60 billion is—

*Government members interjecting—*
Mr CIOBO: It is $430 billion! It had to come from this side though, not from the other side. There you have it. On Labor's own numbers, there is $430 billion worth of debt. And yet the Labor Party say, 'We don't understand why you need to have more than $400 billion.' Well, it is because, on your own numbers, it will be $430 billion. The most concerning aspect of this is that the Australian Labor Party is willing to play havoc with Australia's international reputation. The Australian Labor Party is willing to put Australia's national interest behind political expediency and political opportunism. That is entirely consistent with the approach of the shadow Treasurer and members opposite, because of this key reason: when it comes to making decisions in the national interest, the Labor Party knows full well that we are within a week or so of breaching Australia's current debt ceiling of $300 billion.

So what is Labor's approach? Do they take a mature approach and say, 'Let's look at what needs to be done. We know that it has got to be $430 billion as the peak debt limit that is anticipated on Labor's own numbers'? No, they do not. They say, 'We'll give you $400 billion and then we'll go back to it in due course.' A similar approach was used by the Tea Party in the United States. So we know who they are getting their riding instructions from when it comes to political process; we know the approach the Labor Party likes to take when it comes to trying to work out what they need to do in terms of running this debate. But I have got news for you, Labor Party: that is not how we intend to govern. That is not the approach of the coalition and it is not the way in which we intend to conduct Australia's economic policy. Our focus is on providing economic certainty, and the way we send certainty and security to the financial markets is to make it clear to them that we will deal with an issue comprehensively and we will deal with it once and for all.

It stands in stark contrast to Labor's approach of, 'Let's just kick the can down the road a little bit further. Four hundred billion dollars? What does it matter? Let's just worry about it when we have to come back to it in six or 12 months time.' That is what Labor have said should be the approach. That is not our approach. Our approach is to say that we need the debt ceiling to be at $500 billion. Understandably, Labor again gets confused because they think 'debt ceiling' actually means 'debt target'. Labor thinks that if there is a $500 billion debt ceiling then that means debt is going to $500 billion. Well, I have news for the Australian Labor Party: debt is not going to $500 billion. That is the ceiling, that is the maximum, that is the amount that we do not want to reach, and it stands in stark contrast to Labor's approach. I say to the shadow Treasurer, shadow Assistant Treasurer and shadow Parliamentary Secretary that what they need to realise is that the coalition deal with the issue once and we deal with the issue finally.

The other quite interesting approach Labor have been taking as part of their literal interpretation of the term 'opposition' is that they have decided being in opposition means they must oppose absolutely everything. You can almost see them sitting around the table saying, 'What are some other fascinating opportunities that we can come up with to differentiate ourselves from the government?' 'I know,' the shadow Treasurer would have said, 'let's oppose them on some savings measures to show what a compassionate group the Australian Labor Party is and how rough and tough the coalition is. Let's oppose them on some of these mean, nasty savings measures that the coalition has come up with.' You can almost see them; they would all be nodding in furious agreement. 'And why not start with $2.3 billion of savings in the education sector?' The only problem with that is that they were Labor's savings. They
were the savings that the Australian Labor Party came up with. So, when they literally interpret the term 'opposition', what they are actually doing is opposing their own announced savings measures.

The shadow Treasurer stands up and talks about hypocrisy. I have news for you, shadow Treasurer: the greatest and most glaring example of hypocrisy in the parliament today is the fact that you are willing to stand up and oppose your own savings measures. $2.3 billion worth of savings measures were announced by the Australia Labor Party, and now Labor says, 'No, we are opposed to them. We don't support them.' In addition to that, there are some $13.4 billion of savings measures that this government is trying to take to reduce the mountain load of debt that has been left behind by the Australian Labor Party—debt that we know is going to continue to accrue interest, debt that is currently running at $10 billion a year in interest repayments. That is $10 billion that could have been spent on, for example, new schools, new hospitals or new road projects—a whole raft of different approaches—but Labor says, 'No, we are opposed to those savings measures as well.'

The Labor Party want to have their cake and eat it too. They say, 'We want to make sure the debt stays lower,' yet they stand opposed to some $15 billion of savings measures. How does the Labor Party compute that? They oppose $15 billion worth of savings measures, yet claim to be concerned about keeping debt lower! The simple, inescapable reality of this entire debate around Australia's debt ceiling is this: if you, Labor, were willing to stand up and do the right thing, to put Australia's national economic interests first, to put certainty and stability in the marketplace ahead of your own short-term political opportunism, you know that, based on the figures I outlined before, Labor Party figures, the best thing to do would be to increase Australia's debt ceiling to the $500 billion that was called for by the coalition—not to stand in the way with some silly game of $400 billion claims but to do the right thing by the Australian people and make a decision that, ultimately, is going to make a profound difference by ensuring that we can provide the certainty and stability that this nation so sorely needs after six years of mismanagement and debt-ridden rule by the Australian Labor Party.

Mr HUSIC (Chifley) (15:30): Madam Speaker, you probably missed it, but I was looking at the backbench over there and I want to commend the member for Moncrieff for the first verbal administration of Mogadon! Look how excited these people are to hear about the government's position and what they want to do on debt! It was a masterful performance! They just keep giving. The other side is a gift that keeps on giving. Remember these great quotes? 'We will be a government of no surprises.' That is what they said—'no surprises'. They say one thing before the election and another thing afterwards.

We had the member for North Sydney over in London, getting his pics standing with Big Ben, talking about the age of entitlement being over. He shakes off the jet lag when he comes back and, then, what does he do? He supports the biggest, newest entitlement scheme, their paid parental leave scheme, handing over three times the amount that pensioners in the electorate I represent get in their pension, giving it to some of the wealthiest people around. That is their paid parental leave scheme. It is one thing before the election and another thing afterwards. Then he says, 'We won't we bullied on foreign investment.' Remember that one? 'We will not be bullied on foreign investment.' And then he has a face-off with Barnaby, with the member—I've forgotten where he is, he has moved around so often. Which seat is he in now?
Mr McCormack: New England—and you had better remember!

Mr Husic: New England, okay. So he has a face-off with the member for New England, he blinks and then, suddenly, GrainCorp is approved. What is the new dictum, Member for Riverina? Is it 'Barnaby will decide on the FRB decisions I can't make and on the foreigners who can invest here'? It's Barnaby's way! It's Barnaby's way in terms of investment.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The member for Chifley will refer to members by their seat or their title.

Mr Husic: Yes, well, you know the member for New England very well, having chased him off yourself, Deputy Speaker Scott!

The DEPUTY SPEAKER: No, no. The member for Chifley will refer to members by their correct titles.

Mr Husic: I think that is a very good point. What else do we have? 'We are a government of no surprises.' The Treasurer says, 'We need to have a conversation about Qantas,' so they say to the Treasurer, 'Okay, over to you. What are we talking about?' 'I don't know. You want to talk about it.' 'No, you started the conversation on Qantas.' And then he does not say anything about what he wants to do. Here is the other one. The Treasurer said before the election:

… if debt is the problem, more debt is not the answer.

That is what he said.

Dr Chalmers: That's ringing a bell.

Mr Husic: Ringing a bell, indeed. Thank you, Member for Rankin. And what does the Treasurer propose? An increase from $300 billion to $500 billion, a 67 per cent lift in debt—67 per cent. Weak on entitlement, weak on foreign investment, weak on following through on reform, weak on the issue of debt: thank God he has starch in his shirts, because I do not think he has a spine holding him up! He cannot make a decision, he cannot follow through, on the thought bubble that starts the day and ends on—what? Nothing. He cannot even come through on it.

What we said was quite simple. We said to the government, 'If you want to increase the debt limit, then we'll certainly back the increase to $400 billion, and then you come back and actually fill in the detail if you want to go higher,' which is not unreasonable. Apparently, they will not release the incoming Treasurer's brief. But all we said was, 'Release the MYEFO,' and they will not even do that. And what is their answer on cutting debt? They hand over $9 billion to the RBA, just—bang—like that. They are talking about increasing the debt limit and then they hand over $9 billion to the RBA as a gift. It is no wonder; they are waiting for the dividend stream down the track. That is really why they have done it. Load up the budget deficit now. If they are worried about debt, why are they turning their backs on revenue measures that could have given them $3 billion? They gave a tax cut to the 16,000 wealthiest people in the country. They are worried about debt, and their answer is to come back and suddenly say they need to increase the debt limit. And, when we do not give it to them, what they do? When we will not support them just increasing the limit, what do they do? They go to the economic fringe dwellers, the people that they derided previously, the ones that they hate and they love and they hate and they love. They cannot work out—

Honourable members interjecting—

CHAMBER
Mr HUSIC: It is the Greens, not the Nats. That is right; that is the war that keeps on giving in the coalition! (Time expired)

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (15:35): The member for Chifley should have more respect for the National Party. But let us start with the federal member for McMahon, whose matter of public importance this is today. The member for McMahon, who is also the shadow Treasurer—on his letterhead, he uses the word 'leadership'—just told me that he actually never had the GrainCorp issue across his desk. But I put it to him that he did. I put it to him that he was too cowardly to actually answer it; and, if that is wrong, he will get up and make a personal explanation when I finish. But I doubt it. But he is an absolute amateur when it comes to the lily-livered member for Lilley, who, in his 2012-13 budget speech—

Mr Bowen: Mr Deputy Speaker, on a point of order: I am very relaxed about what the honourable member said about me, but he should withdraw the assertion about the member for Lilley.

The DEPUTY SPEAKER (Hon. BC Scott): The parliamentary secretary will withdraw that comment.

Mr McCORMACK: I withdraw. That just proves, though, that—

The DEPUTY SPEAKER: No, the member will—

Mr McCORMACK: I withdraw, unreservedly and unequivocally. But that just proves that the GrainCorp issue did come across his desk and that he was too cowardly to deal with it—

Mr Bowen interjecting—

Mr McCORMACK: Well, you never approved it, you never did anything with it, and that is just the point. Your side, in government, never did anything with anything, apart from rack up a huge debt. Now, we go to the budget speech by the member for Lilley, when he was Treasurer, in 2012-13. This is from his budget speech on 8 May 2012, and he says:

The four years of surpluses I announce tonight are a powerful endorsement of the strength of our economy, resilience of our people, and success of our policies.

Moving on 12 months, the following year he says:

Speaker, because of our deep commitment to jobs and growth we have taken the responsible course to delay the return to surplus, and due to a savage hit to tax receipts there will be a deficit of $18 billion in 2013-14.

It just kept going on and on, because while there might have been $18 billion earlier this year, it then became more and more and we ended up inheriting $370 billion worth of debt. That is why today we have to increase the debt ceiling—not because we want to, not because the Australian people want us to but because of the abject failure of people on that side. The member for McMahon was responsible in part. I will not say he was entirely responsible, because he got the job of Treasurer only when there was so much backstabbing on the Labor side that he ended up with the job. Nobody else wanted it. Having failed with the boats policy, they gave him a job as Treasurer and said: 'You couldn't do a worse job than the member for Lilley. You've done such a bad job with boats. Try this portfolio,' and he mucked that up, too.
The government is getting on with the business of dealing with the legacy of debt we inherited from Labor. Labor knew that the debt limit would need to be increased again but did not have the courage. Just like the member for McMahon did not have the courage with GrainCorp, they did not have the courage to do so in the lead-up to the election. The member for Lilley said on 3AW on 15 May, when he was still Treasurer, that 'Increasing the debt limit will be a matter for them.' Who was he referring to? He was referring to us, of course. He had already waved the white flag. After the election, Labor squibbed it and focused on what seemed to be their core business. What was the core business of Labor, do you think, in the last parliament? Fighting among themselves, executing prime ministers, squabbling over the scraps of who might be sitting on the front bench. Meanwhile, Australia was going down the gurgler. Meanwhile, our debt was going up and up. Uncertainty for families and for businesses mattered not to Labor. All they were interested in was just seeing who was going to knife whom.

Why is this such a big debt? We can refer to the Little Book of Big Labor Waste. We had immigration, the boats plan, with a $1.2 billion blow-out. I see the member for McMahon looking across wondering what document this is. I will table it, if you like. Building the Education Revolution, $8 billion wasted; political advertising, $100 million; national broadband blow-outs—who knows how much that is going to cost? Computers in school blew out by a massive $1.4 billion; green loans were eventually dumped after three independent reports found extensive mismanagement; the solar homes program, an $850 million blow-out; $54.25 million dollars was wasted on operational expenses in the Global Carbon Capture and Storage Institute; it just goes on and on. If you like, I will table the document so that the member for McMahon can read it a little later when he gets over his cowardly performance about GrainCorp. The debt ceiling does need to be increased. It is unfortunate that it needs to be increased because of the waste that you blokes racked up. (Time expired)

Dr CHALMERS (Rankin) (15:40): The Australian people would be scratching their heads about the behaviour of those opposite when it comes to the debt cap. Wasn't this supposed to be some kind of debt emergency? Weren't they supposed to be against more debt? Didn't the now Treasurer say to the Press Club in May this year that for the good of the country we need to stop increasing debt as quickly as possible? And the year before didn't the Treasurer say that there is no justification for an increase in the credit card limit of the Commonwealth government whilst they are claiming to live within their means? Didn't the now Prime Minister say in 2011, as the shadow Treasurer said, that borrowing extra money was like saying to your bank manager: 'Look mate, I've got my spending under control. Can you extend my credit limit?' Didn't they say that they would not work with the Greens? Didn't they say that the Greens were economic fringe dwellers? Didn't they call year after year, whenever there was a policy change or some kind of development, for the government to release the books to update the Australian people on the nature of the Australian budget? All of those things are ringing a few bells. In the language of social media: WTF! That was then and this is now. The reality of their approach to the economy now is that there is a vast difference—

Mr Wyat: The terminology within tweeting those three letters is inappropriate for this parliament and I ask that they be withdrawn.
The DEPUTY SPEAKER (Hon. BC Scott): I am unfamiliar with it, but I will take the member for Hasluck's comments as being relevant and I ask the member for rank and to withdraw.

Dr CHALMERS: I withdraw, Deputy Speaker. The reality of their approach to the economy is that there is a vast difference between what they said before the election and what they are doing now. Now they want to eliminate the debt ceiling on the national credit card, an extraordinary proposition from people who told Australians they wanted less debt and not more. They said less debt, then they said double the debt, and then they said, 'Let her rip.' They said, 'Open for business and open the books,' and now they say, 'Open the floodgates and open the throttle.' From 'Sloppy Joe' to 'Jelly-back Joe,' from Jekyll to Hyde, in record time. They said they would spend less and then the Treasurer gave away $12 billion in two weeks without explanation in the case of the RBA giveaway and without justification when it came to ripping off middle Australia to fund superannuation tax breaks for 16,000 wealthy Australians.

Now they are in bed with the Greens on economic policy, just like they were in bed with the Greens on the Malaysian people swap. And now the debt emergency has become a credibility emergency for a new Treasurer. No wonder the member for New England is regarded as the real Treasurer on that side of the House. The member for North Sydney is unable to utter a word that is not written and authorised by the National Party or funded by Gina Reinhart. The charitable view is that the now Treasurer did not give a moment's thought to any of this before he got the job, that in four years as shadow Treasurer he did not get around to forming a view on any of the important economic and fiscal issues. We saw a bit of evidence of that today as he wandered around whingeing and whining about the national accounts, all of the excuses and political lines that we get from him in the absence of any credible analysis of the national accounts.

That is the charitable view. There is a more sinister interpretation that the Australian people need to be aware of what this is all about. Opening the spending floodgates now, shovelling money to the RBA and the wealthiest in our community, blowing out the deficit is all about one thing and one thing only: constructing a budget emergency of their own, creating an excuse for the swinging axe that will come when the 'Commission of Cuts' reports. It is an axe that will hit Middle Australia hard if their cuts to the schoolkids bonus and low-income super contributions are anything to go by—a preview of the nastiness to come.

This Treasurer comes in here all puffed up, full of self-congratulation, so proud of himself, always going for the cheap laugh over the hard yards. If those opposite think we would give a limitless credit card—(Time expired)

Mr BUCHHOLZ (Wright—Government Whip) (15:45): I commend the previous speaker on what was a riveting contribution to Hansard! Well done! I was approached earlier on today to speak on this matter of public importance: 'The Government’s plan to allow itself to run up unlimited debt.'

Mr BUCHHOLZ: You're kidding! You talk about letting us run up unlimited debt, but what the House forgets is that there is a bill before the House that would enact the stopping of unlimited debt. It was introduced into the House—
Mr Champion: Half a trillion dollars!

Mr BUCHHOLZ: There you go! Let Hansard show that we just got an interjection from the other side of the House saying that it was for half a trillion dollars. May I inform the interjector that there is an enormous amount of difference between 'unlimited' and half a trillion dollars. How is it that you are struggling with the concept of 'unlimited,' which is open-ended? Let me take you back to the concept of 'unlimited.' Why is the country in such a fiscal mess? We hear comments of such absurdity from the other side, not understanding the concept of unlimited.

Who got left with the mess? Previous speakers on the other side spoke about GrainCorp, Qantas and the recapitalisation of the RBA. We understand what it is like to be on the other side. We were in opposition and we made a point of opposing—

Mr Snowdon: Everything!

Mr BUCHHOLZ: No, not everything. We made a point of opposing the previous government for not keeping their promises. We opposed the then government—

Opposition members interjecting—

Mr BUCHHOLZ: Let the Hansard show that comments from the other side came across that we 'opposed everything'. We opposed your broken promises. If your interpretation of everything you did was a broken promise, let the record show that. You made the point—

Mr Stephen Jones: Have you run out of material?

Mr BUCHHOLZ: No, I have got much, much more. Member for Throsby, you have now fallen foul on opposing every single thing that we promised. We promised through the campaign that we would get rid of the carbon tax. That is not something that we just pulled out of our back pocket. We said we were going to oppose the carbon tax; you are opposing it. We said we were going to oppose the mining tax; you guys are opposing it. We said we were going to oppose TPVs; they are not going through. You have struggled with the education debate.

But I want to get back to the current debt. You knew that this debt ceiling needed to be shifted. The entire government knew that it needed to be shifted. The evidence of that was in an interview with the previous Treasurer and, by all accounts, a great Treasurer! He was 'Treasurer of the Year,' and he cannot get a start on your frontbench. On Wednesday, 15 May, there was an interview with the then Treasurer, Wayne Swan, member for Lilley, with Neil Mitchell of 3AW in Melbourne. Neil Mitchell very simply asked:

Will whoever wins the next election need to raise the debt level?

That was the question asked. The response from the then Treasurer was:

That will be a matter for them.

The government knew. I have been challenged in my own electorate. I want to get this on the record and I did it the other day on the television. I have been challenged in my electorate on the points made by the other side of the House. We said we wanted to bring down debt. Why is it then that one of our first acts in getting into government was to increase the debt ceiling? The simple fact of the matter is that the ongoing expenses are still yet to hit our MasterCard. If we liken it to a family budget, the expenses that Labor have racked up have still yet to hit. We have sat in this House for no fewer than eight days since the election. It is unthinkable to
suggest that the key policy issues that we have brought before this House, which are still waiting to be ratified by the Senate, have had any budgetary impacts. The additional revenue limit is needed to substantiate the extra increase of expenditure that the opposition ran up. It is the opposition's debt, you own it and we will make sure that we pay it back.

Mr CHAMPION (Wakefield) (15:50): This is a government built on contradictions, wandering around in its own parallel universe. You can see how it actually believes its rhetoric. You can see the contradictions on education. It was for Gonski and then it was against Gonski; it was for going back to the old SES model. And then, by the end of the week, it was back to Gonski. And, on boats, the same thing.

One minute they are voting with the Greens in this House on the Malaysian transfer agreement. We had the Treasurer blubbering away at the dispatch box and, next minute, they are in here holding up pictures of Christine Milne, Leader of the Greens in the other place. On foreign investment, they say they are open for business and then, on their first major test of foreign investment, who gets to make the decision? The member for New England. The most incoherent member of the cabinet gets to make the decision! And people in boardrooms around Australia gasped—you could actually hear the breath intake of corporate Australia. Sydney just about shut down, surprised that jobs and investment in this country could be decided by the member for New England. No-one could quite believe it. And of course we have the same inherent contradiction on debt. They denied the GFC in opposition, but the justification for this debt increase is 'headwinds out of Europe'. That contradiction does not actually makes sense.

When they were in opposition we had a budget emergency—'budget emergency', it sounds very serious—and yet in government suddenly the emergency is not quite so emergent. I do not know what the word is, but it is the opposite to emergency. We had the austerity talk when they were in opposition, but that evaporated as well with this mismatch of policy. We know there are going to be cuts and nasty ones, but you can bet they will not be to the top end of town because they have given them a tax cut. One of their first acts was to give the top end of town a tax cut on their superannuation.

In opposition they decried the Greens. Even when they were voting with the Greens on the Malaysian transfer agreement, you would never have known it for their rhetoric. Yet, at this very moment, there is the Treasurer sandwiched between the member for New England and the member for Melbourne—two ends of a political horseshoe. Fortunately, he is big enough to fill that space, but it is an amazing position for a Treasurer to be in.

They told us before the election that they were going to repay the debt. How many times did we see that in direct mails around the country? 'Repay the debt. Repay the debt. Repay the debt.' If you could get them in a debate, they were not very good at telling you much beyond that. You were very good at saying it; you were not very good at actually having a debate about it.

But now, in the first sittings of this parliament, what do we have? An increase to half a trillion dollars in the debt limit. That is their first ambit claim and they are negotiating it. The member for Melbourne is not here. He is probably in Joe's office having very serious discussions or in Barnaby's office—the member for New England. They are probably talking about jobs and investment—probably not! What they are talking about is getting rid of the debt limit altogether. What we will have under this government is more debt. You can just see
it coming. They are already starting to talk about good debt and bad debt. That means their debt will be good debt and our debt will be bad debt. That will be their philosophy. You can see it coming. What this Treasurer is doing, by getting into bed with the member for New England and the member for Melbourne, is jeopardising foreign investment, jeopardising jobs and pushing up our debt. This is a Treasurer that has all the characteristics of Ruth Park's muddle-headed wombat. That is what he is: a muddle-headed wombat, wandering around the place saying one thing and doing another.

Mrs PRENTICE (Ryan) (15:55): I think I am offended on behalf of wombats. The tragedy of it all! No longer in government and no longer in their comfort zone of spin, focus groups and fantasy, the opposition have the hide to lecture the government on debt and the problems with the Australian economy. Why do they do it? Because the opposition will do anything and say anything to avoid one stark fact. That is the fact that they are no longer in government. Back in their days of government there was rarely any connection between fact and the Labor-Greens coalition public utterances. They saw themselves as the ringmasters of the 24-hour news cycle. They saw themselves as masters of spin manipulating the sad reality of their ongoing incompetence into a Pollyanna's confection of wishful thinking.

They are the party that promised there would be no carbon tax under a government that they led. They are the party that gave us the pink batts fiasco, GroceryWatch, cash for clunkers—and the list goes on. They are the party that on over 500 occasions promised the Australian people they would deliver a surplus and even printed brochures to say they had done it. They are a party that has thrived on political fantasy for so long that they would not know the truth if they ran into it. They are an opposition playing to their only strength—spin, not facts. They are an opposition that made being loose with the truth an art form. They are an opposition who forget that this is a deficit that they built.

Today's government has work to do, an economy to fix and a nation to build. This is a government with policies to implement. Why? Because that is what the people of Australia decided. Perhaps if the opposition were more interested in our nation's future and less interested in spin, and perhaps if they had been more interested in good government and less interested in media manipulation, they might have read the advice provided to them by their own Treasury. There you can find the facts—the facts of the damage of the runaway train that they called economic management.

This is a serious matter. The coalition inherited the results of Labor's frolic, and this government intends to deal with it in a careful, methodical and responsible way. We simply must have certainty about financing the budget. Good government is not determined by your mastery of the 24-hour news cycle; good government is all about prudent and proper decision making and economic management. This government has a responsibility to the Australian people to get our economy back on track.

The increase of the Commonwealth government debt limit from $300 billion to $500 billion is a critical step in this process. The opposition knew the debt limit would need to be increased again, but they did not have the courage to do it. Instead, the member for Lilley—the world's greatest Treasurer!—shirked his responsibilities and said it would be a matter for them after the 2013 election. They ignored Treasury advice, leaving it for others to clean up. It is not rocket science; just prudent economic management.
The coalition is committed to providing stability and certainty to the markets. Unlike Labor, on this side of the chamber we understand that the debt limit is not a target. In 2008, the Labor-Greens government set the debt ceiling at $75 billion. A few months later, in February 2009, the government increased the debt ceiling to $200 billion. The 2011-12 budget saw an increase to $250 billion. But that was not enough for Labor; they raised it again in 2012-13 to $300 billion. Between 2009 and 2013, in just four years, Labor increased the debt ceiling to 400 per cent of its original value. Labor owns this debt. This government has a responsibility to the Australian people to get our economy back on track.

I make one simple plea to the opposition: as much as you love the 24-hour news cycle, the people are sick of it. The Australian people want governments to get things done, not read about every confected conspiracy that conveniently lodges in the opposition's corporate brain. The people of Australian want the government to govern and that is what we are doing. It is as simple as that.

Ms CLAYDON (Newcastle) (15:59): I will remind the House that the topic of today's MPI is the government's plan to allow itself to run up unlimited debt. That is what I intend to speak about. Every day we are reminded by this government that they have been given a mandate by the Australian public to govern on the policies they campaigned for—every day. Yet every day, we are being hit with new policies and positions that directly contradict what they took to the Australian people during the election. In opposition, members opposite insisted that they were on a unity ticket with Labor on education. In opposition, government members opposite insisted that we were in the grip of a budget crisis and needed to reduce our debt. Really? I am not sure what to believe. If that is what the government campaigned on, surely Gonski would be going ahead and we would now be taking action to reduce our debt. But that is not what is happening. Every day this government is changing its story and breaking its promises. This is not the government Australia thought they were getting.

The Treasurer went to the election promising to reduce debt and to implement deep budget cuts. He called it fiscal discipline, if I am not mistaken. But that is not what he is doing now. The government has instead embarked on a spending spree and now wants to allow itself access to unlimited credit. The Liberal Party campaigned against debt before the election yet one of their first actions in this parliament is to request an unprecedented increase to the debt limit of 67 per cent. The coalition can in no way claim a mandate to increase the debt limit by this amount to half-a-trillion dollars.

Make no mistake: the first time that the $500 billion figure was mentioned was when the Treasurer announced it on 22 October, six weeks after the election. The government was not given a mandate to increase the debt limit to half-a-trillion dollars and they certainly were not given a mandate to scrap the limit altogether. And the Treasurer has gone from promising to pay back the debt before the election to wanting to double the debt a couple of weeks ago to now wanting to run up unlimited debt. Today, we are talking about having an unlimited debt limit. This new position on removing the debt limit altogether is truly remarkable.

In this House on 12 March this year, the now Treasurer rose to speak and address the government on debt limits. He said:

The truth is that Labor do not know how to live within their means. They are like someone with a credit card who is out of control.
The thing is that credit cards do have a limit. And for good reason. That is why the debt limit exists and that is why we support the continuation of the limit and an increase in line with any evidence to support it. The Treasurer is now suggesting that we remove the limit altogether and go on a free-for-all. I shudder to think what that means for Australia based on the few weeks of crazy spending that we have already seen.

They have thrown $8.8 billion to the RBA, money that they did not want or need, a move of political means, not economic means. Then there was the $1.2 billion that came from nowhere this week and was thrown at the state governments as hush money. I would like to say that this was to address disadvantage in education, but there are no guarantees about where that money is going to. It is a no-strings handout. That is $10 billion of unbudgeted spending in this first sitting of the 44th parliament. No wonder they want to scrap the limit.

This Liberal government is now saying: 'We're happy to break promises. We don't want controls on our spending. Let's remove the debt limit altogether.' The Australian public cannot trust this government. We cannot trust what they said during the election; we cannot trust what they said yesterday; we cannot trust what they will be saying tomorrow? But we do know one thing about what they say: we will not be able to trust it.

The coalition called the Greens 'economic fringe dwellers' during the last parliament but now promises to deal with them on the debt after the election. Labor is not going to support removing the debt limit. We will not support removing parliamentary scrutiny of government debt. Labor's position on debt is clear and it has been consistent. The government needs to be transparent and open its books and produce the evidence required.

Mr TEHAN (Wannon) (16:04): For the sake of those in the gallery, I had better explain that we are here today talking about debt and deficit because the Labor Party put this on the agenda. It was not our side; it was the Labor Party that put debt and deficit on the agenda this afternoon. What I would love to see—and maybe the member for Chifley could do this for us—is the tabling of the Einsteins on your side who decided in your tactics committee meeting to put this on the agenda for the MPI debate today. They are geniuses! Let us run through a little bit of the history.

When you came into government the budget was in surplus by $20 billion. It is now forecast to be in deficit by $30 billion. Let us have a look at what has happened with net debt. When you came into office, the government was $50 billion in the black. What are we expecting now? Net debt is going to be well and truly over $200 billion. And yet you want to debate debt and deficit in this place this afternoon. What those opposite need to do is go to the Press Club and have a look at the record there of what Brian Loughnane said in his speech after the election about what the causes were for you losing. One of them was debt and deficit. And yet here you are today talking about debt and deficit. I will say one thing: keep it coming; let us have MPIs for the next three years on debt and deficit. Make our day.

We want to clean your mess up. What we are seeing in you not allowing us to raise the debt limit is you making sure that we cannot clean your mess up. It reminds me sometimes of when you go into the city and walk around the park. You see people walk their dogs that poop. We have had five poops in the park—the five biggest budget deficits in Australia's history have just been lobbed in the park. And we want to come along with the poop scoop
and clean up your mess, and you are hiding the poop scoop from us; you will not allow us to get to the poop scoop. What is that going to do?

Ultimately, the Australian people are going to say: 'They need more time in opposition to realise the damage they have done.' Give us the poop scoop, please! We want to clean up your mess. And it is an almighty mess—the five biggest budget deficits in Australia's history. As a matter of fact, it is the fastest deterioration of debt in modern history—yet those Einsteins on your tactics committee are saying, 'Let's come in here and do the MPI on debt and deficit.' Bring it on. Come on Ed, don't go. Are you going to get the list of the people who are on the tactics committee? Come on, table it for us. Or are you going away to get your poop scoop? We need the poop scoop. Come on, bring it back to us; we need your poop scoop.

The SPEAKER: The member for Wannon will desist from that language—and, indeed, withdraw it!

Mr TEHAN: What I will do now is—

Mr Fitzgibbon: Madam Speaker, on a point of order: knowing you well, Madam Speaker, I know you have only a limited interest in poop scoops, and I would ask you to ask the member to refer to his remarks through the chair.

The SPEAKER: And I would ask you not to repeat words that I just said are unparliamentary, so you can withdraw them too.

Mr Fitzgibbon: I withdraw, Madam Speaker.

The SPEAKER: Good. The member for Wannon has the call.

Mr TEHAN: I am nearly out of time, so all I will do is point to the member for McMahon, the shadow Treasurer, whose MPI this is. The member for McMahon said that the peak of the Labor Party debt would be nine per cent of GDP. Only two years later it peaked at 22.1 per cent, yet the shadow Treasurer has the gall to come into this place and put this MPI before us today. Debt and deficit is your record. We will clean up your mess and we will get the budget back in surplus. We will bring debt down. You should get out of the way and allow us to do it.

The SPEAKER: The time allotted for this debate has expired.

COMMITTEES

Privileges and Members' Interests Committee

Membership

The SPEAKER (16:10): I have received advice from the Chief Government Whip to discharge Mr Randall from the Committee of Privileges and Members' Interests. I note that the member was appointed to the Selection Committee earlier this day.

Mr ROBERT (Fadden—Assistant Minister for Defence) (16:10): by leave—I move:

That Mr Randall be discharged from the Committee of Privileges and Members' Interests.

Question agreed to.
BILLs

Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013

Report from Federation Chamber

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr ROBERT (Fadden—Assistant Minister for Defence) (16:11): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013

Report from Federation Chamber

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr ROBERT (Fadden—Assistant Minister for Defence) (16:12): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

GOVERNOR-GENERAL'S SPEECH

Debate resumed on the motion:

That the Address be agreed to.

The SPEAKER: Before I call the member for Mallee, I would remind the House that this is the member's first or maiden speech and I would ask that the courtesy of the House be extended to him as we have done to others giving their maiden speech.

Mr BROAD (Mallee) (16:13): It is with a great sense of honour that I now present to this House of Representatives and to the Australian people my maiden speech. I will endeavour at all times to speak common sense and to say words that build up and not tear down. On the very first day I took a seat in the 44th Parliament I wrote a note to myself. It read: 'We must lift our eyes in this place, for the people and the children of Australia are watching.'

On 7 October 1788, the HMAS *Sirius* left the Port Jackson colony with the hopes and prayers of a fledgling nation. White Australia was just 249 days old. Tragically, many
Australian Aboriginal tribes were dying from European diseases, the crops had failed and the new colony was experiencing its first Australian style drought. The *Sirius* travelled down to the 40th parallel with the roaring forties winds in her sails. She circumnavigated the globe, stopping at Cape Town to get food and supplies for the journey, taking seven months. If that ship had sunk, Australia as we know it would have starved to death. Two hundred and twenty-five years later, our abundance is truly amazing. Australia has a population of over 21 million people, yet we produce and export enough food for 75 million people. We have one of the highest standards of living in the world and some of the longest life expectancy rates. This nation that we call Australia has prospered.

I stand here today proud to represent the people who live in the federal seat of Mallee. I am here because the people who live in the Wimmera, the Mallee and the Mildura regions want a strong voice. The major political parties ran a tough campaign against me, but it was the people of Mallee who put me here and it is them I will serve. I am a member of the Nationals because I am a patriot. The Nationals are a true democratic party: the only people who choose a candidate are the people who live in the electorate. If you can indulge me a little bit, my other parliamentary colleagues. In the short time I have been in this place I have become prouder of our team. They have got an immense intellect, a great deal of integrity and will endeavour to stand up for good policy.

The electorate of Mallee is 32 per cent of the land mass of Victoria. It has the Grampians in the south and the mighty Murray River in the north. It encompasses the Wimmera, the Mallee and the Mildura regions. All the food you could ever want and everything for your daily needs is grown in Mallee. Cereal, milk, toast, orange juice for breakfast—grown in Mallee. Fresh table grapes, almonds for morning tea—grown in Mallee. Mallee lamb, vegetables with a glass of red wine for lunch—grown in Mallee. If you are lucky, you might catch a murray cod—technically on the New South Wales border—and have some salad and white wine for dinner also grown in Mallee. In fact, the only food that is not grown in Mallee—and I have found is essential to this parliament—is coffee!

The federal seat of Mallee is a regional electorate. We are proud of our agriculture. We are proud of our small business, proud of our tourism, proud of our retail, our mining and our service industries. The people who live in the seat of Mallee are tolerant, fair minded Australians. They will tolerate floods; they will tolerate droughts; but they will not tolerate bulldust. And frankly they have heard enough at times coming out of this place. I, like them, do not think it is too much to ask for decent roads and telecommunications. It is not too much to ask for better health and educational opportunities for our kids. It is not too much to ask for a government that has a vision outside the capital cities and the coast. The people who live in my electorate do more for the Australian economy than most. Our wealth is built on their efforts, and a little of that wealth making its way back as infrastructure and services is fair. I want to remind other members of the parliament that, when our regions are strong, our whole country is strong.

I am here today because even my kelpie sheepdog, Duke, was getting sick of me complaining about the direction of our country. I had worked, after finishing high school, in shearing sheds and on farms and had saved some money towards a deposit for a farm. At the age of 22 I bought my first farm and, to my horror, every cent that I had saved was paid to the
government as stamp duty. The government had taken four years of my labour as stamp duty, and I didn't even get to see the stamp!

I hear commentators talk about food security. The first imperative of food security is that we must get young people involved in agriculture. The second is that the person who grows the food must make a fair living doing so. I continued to farm and, at 26, after purchasing some more farm land, was hit by the drought of 2002. No income. My wife's total earnings would not even cover the interest payments. I have got to say I had some sleepless nights. I want to acknowledge my wife, who is in the gallery here today. My beautiful wife. She can give us a wave. I did pretty well for myself, didn't I? But she stuck through me through this unfolding journey.

I was encouraged to apply for drought support and I still remember I was working in a shearing shed the day I received a letter telling me I was not eligible for assistance, because I was considered unviable. What do you do? I got the old grinder spanner and an old rusty nail and I nailed that letter to the shearing shed and swore, 'I'll show you who is unviable.' I have now run a successful business for 15 years through drought, flood, hail, frost—and I am viable. Australia can throw a lot at you, but it has an amazing way of getting under your skin, and I have grown a deep love for this tough, great country. This is a great country.

I can pinch a line from the Prime Minister for a moment. This great country deserves a great government, and the first role of a great government is the security of its people. Threats to security come quickly and often unexpectedly, and history is there for us to learn from. Please take a note of these dates. On 7 December 1941, Japan entered the Second World War by bombing the American navy fleet in Pearl Harbor. On 15 February 1942, Singapore fell with the capture of 80,000 British and Australian troops—a tragic day for Australia. On 19 February 1942, Darwin was bombed for the first time. Do you know: from the entry of Japan in the Second World War to the bombing of Darwin and the defence of Australia was a period of only 10 weeks. The first role of a government is the security of its people, and a standing defence system, whilst expensive, is essential.

The second role of a great government is to set the economic framework for the country. Governments do not create wealth; governments take wealth and distribute it. We must always remember that it is the pursuits and endeavours of individual Australians that build the prosperity that Australia enjoys. If there is no incentive for people to work harder or take risks then they will not. Our economic settings must reward hard work and enterprise. If a person can work, they should work. Providing incentives to catch the first rung of the employment ladder is important in a developed economy. The best thing we can do is provide a person with an opportunity, but after that it is a matter of personal responsibility.

Our mining resources need to assist and diversify the Australian economy. The mineral resources belong to the Commonwealth—that is, the wealth of the common man. I believe preferential rather than world pricing for gas and other energy sources needs to be looked at so Australians can compete with other countries in producing goods, for we will never be competitive on the wage market alone.

I fear the costs of constructing major infrastructure are too high. Australians once built the railroads, roads, ports and bridges that we needed to develop the country. If we could build them once we can build them again. These are the pathways that were used to shift our product to the world and to help make our economy strong. Australia needs a proactive
drought policy. If there is one thing I have learnt about Australia it is that, when it is dry, it will be wet again and, as sure as it is wet, it will be dry. Even after many seasonal cycles, we have still not learnt to fully prepare for the seasons ahead in this country.

Australian governments have paid lip service to Northern Australia, which absolutely should be developed, yet have progressively shut down the Murray-Darling Basin. Our governments developed a Murray-Darling Basin Plan but did not have the political stomach to build a dam or put engineering works in the Lower Lakes. The price of ownership of irrigation water became expensive, it robbed irrigators of confidence and then commentators called those irrigators willing sellers, bought their water and took it out of production. What I observed in the Murray-Darling Basin Plan meetings across the region were articulate bureaucrats who knew little about water management clash with farmers who, whilst not having fancy words, knew more about the environment and effective water management than most. But eventually those irrigators went home and kept farming because they had businesses to run, and this is what governments call consultation.

We have a standard of living that I fear is now based on the flogging off of natural resources and the purchasing of goods produced with cheap wages from the Asia-Pacific region. The biggest export out of the Port of Melbourne is empty shipping containers. I know we can do better. As an Australian Nuffield scholar, I have been blessed to study policy and trade in every continent in the world. I have met with policymakers and leaders in many places, such as Europe, South Africa, the United States of America, the Russian Federation, China, Indonesia, Argentina and Brazil, just to name a few. I thank Nuffield for the many opportunities I have had to travel and experience global trade. I do not hold to the idea that the free market is always right. When it comes to trade, there is no level playing field. I believe in pragmatic policies that suit Australia’s national interest. This is one of the reasons I admire Australia’s 14th Prime Minister, John Joseph Curtin, the former member for Fremantle. As Prime Minister he broke convention and recalled Australia’s troops from North Africa because it was in Australia’s national interest. John Curtin put Australia’s national interest first, and we as members of parliament but walk in the shadow of giants such as he.

Mr Conroy: Hear, hear!

Mr BROAD: One 'hear, hear' from the Labor Party! We must always remember that we live in the real world, not the ideal world. My conclusions from global observations are this: every country acts in its own self-interest first; the closer you are to the customer the more you control the price; in a true globalised world, the lowest cost producer has the competitive advantage; at times there is value in an interventionist currency policy; the world places more value on Australia’s agricultural assets than we do ourselves; and Australian based boardrooms are more responsive to Australian social, environmental and political pressure than boardrooms based in other parts of the world.

This government, of which I am proud to be a part, has challenges ahead. We must walk the balance between living within our means and spending to invest. It will be the collective views of every member in this House, and of all political persuasions, that must steer Australia through the turbulent years that lie before us. A strong economy is the engine room. We must build a strong economy so we can build a great society, for it is only when we have the financial resources that we as a country can action the dreams and hopes we have for this
great society. What is it that makes a great society? A great society values and supports those who cannot look after themselves: the unwell, the people living with severe disability, our senior Australians who require care. A great society invests in our children to expand their world view and give them an appetite to learn, to make great citizens instead of just graduates—citizens who know the difference between right and wrong and choose right. After all, it was Theodore Roosevelt who said, 'Educate a man in his mind and not in his morals and you create a monster.' And a great society invests in other countries through aid and agricultural information exchange to lift life expectancy and improve the standard of living for others.

The only thing that may stop Australia from being that great society is our level of indifference. Individual aspirations build community only if the individual is not indifferent to the needs and sufferings of others. Our pursuits of material wealth must be tempered by our generosity, for it is when we align the hearts of mankind with the compassionate heart of God that we truly build a great society.

The HMS Sirius returned to Port Jackson, saving the colony from starvation, and eventually that colony became part of the Commonwealth of Australia. In the history of the Australian Commonwealth, only 1,133 people have ever taken a seat in the House of Representatives. That is an immense responsibility for people in this chamber. I assume this role with humility and gravity, and want to assure the people of the Wimmera, the Mallee and the Mildura region that I will always do my best. We have now before us the responsibility and privilege to build on the 225 years of Australian history and the thousands of years of Aboriginal history. With hard work, God's blessing and good government; I believe our best years are ahead.

Mr FITZGIBBON (Hunter) (16:29): I very sincerely congratulate the member for Mallee and those who are here to support him. That was a very fine contribution. I listened carefully. He was a leading light in the Victorian Farmers Federation, a former farmer himself, and, as he indicated, a Nuffield scholar, and he comes to this place very well credentialed. I look forward to working with him on a bipartisan basis with respect to some of the issues, particularly in rural and regional Australia, that he raised. I was a little bit frightened for a while; I found myself agreeing with the member for Mallee most of the time. I can only come to the conclusion that he is a new breed of National with strong faith in the market, although qualified—I do not want to misrepresent him. It will be very interesting to see how he sets himself apart from some of the more senior members of the Nationals, such as Minister Joyce, as well as Senators McKenzie, Williams and Nash, who are up the back there. It is good to see them in the House. This will be the big test for the member for Mallee. I hope he will come with the opposition on some more sensible approaches to the market and do some things to give a real lift to rural and regional Australia, something that has been missing in this place—except of course for the last six years—for too long.

There is applause in the chamber. I am assuming that it is not necessarily for me, but I do—

The SPEAKER: I will just interrupt you for a moment, Member for Hunter. It is acceptable that we waive the rules of the House to allow applause for a new member's speech—but not after that.
Mr FITZGIBBON: I appreciate that you have given them some latitude, Madam Speaker. I am, I think, well qualified to say these things, because I have been in this place for almost 18 years, so I have been around to see a few maiden speeches. I have enjoyed the maiden speeches of all the new members—from both sides of the House. In a similar vein, I want to say that it is a great honour and privilege to have been elected to the House, representing the Hunter electorate, for the seventh time. I extend once again my sincere thanks to my electorate for giving me that ongoing opportunity and I recommit myself to using all of my energy and ability to do the best I can for my electorate.

There has been much said about the big difference between the 43rd Parliament and the 44th. Certainly it is and will be a different place. Hung parliaments tend, by their very nature, to be unruly, untidy and, on occasion—if not often—very chaotic. The 43rd Parliament was all of those things. No-one is better placed than I, having been Chief Government Whip for most of those three years, to fully appreciate that.

But it is going to be more than the strong majority of the government which will set apart this 44th Parliament from the 43rd. What will really set them apart is the transition from a can-do government, a government intent on reform, to a new government which is simply intent on keeping things just the way they are—or, more particularly, winding the clock back to the way they were prior to the 2007 election. This of course is the very essence of conservatism. Conservatives dislike change. In fact, in some cases, they hate change. Prime Minister Abbott—and I say this with the greatest respect—is conservative with a capital 'C'. The problem for conservatives is that, while they can do their best to hold back change in their own nation-state, they cannot do much to change progress and movement beyond our national borders. They cannot do much to control what is happening around the rest of the world.

Further, it is all right for conservatives to be satisfied with the world as it is. More specifically, I suggest it is all right for wealthier conservatives to be happy with the status quo. The problem with that is that not everyone is in a position to enjoy the status quo. The underprivileged in our society, working-class people, people who work excessively hard to make ends meet, are not always happy with the status quo. Certainly on the matter we discussed during question time today, people are not satisfied with the status quo in education. We are falling behind the rest of the world. The status quo is not good enough for those who aspire to a better life for their children—and that is the sort of Australia I want to see, a place of greater opportunity. As great a country as we are now and always have been, we still have too many underprivileged people, too much inequality and too big a gap between the haves and the have-nots. So we really should be about change, constantly working to make Australia a better place.

I am particularly grateful to the Statistician, who did some very detailed work, some time ago now, on how the government can best reduce that gap between the haves and the have-nots in our society. He identified the obvious mechanisms available to government. We have a progressive tax system which in itself redistributes wealth from the wealthy back to those who need it most. We have the transfer payment system, including pensions, unemployment benefits, childcare benefits and other things that give families a lift up. A less obvious mechanism is the use of what the Statistician described as non-cash benefits. What are non-cash benefits? Non-cash benefits include the provision of services to local communities—
child care, for example. Hospitals are another good example, particularly as Australia has a public health system. These are the things the Statistician, albeit back in 1997, said were the mechanisms which did most in our economy to reduce that gap between the haves and have-nots. That is why I have always had a very strong interest as a member of this place in the inequality of services and the lack of provision of infrastructure in regional and rural Australia. That has always been a passion for me.

If we go back to the fine contribution of the member for Mallee, I agree with him absolutely on this point: more of the wealth that is generated in rural and regional Australia should be returned to rural and regional Australia. That was the whole principle behind the now hotly debated mining tax. I am happy for people to argue about the design of the tax and whether it should have raised more revenue or should not have raised any revenue, but if the government were really serious they would reshape the tax using their own formula. I invite them to put up the argument that the principle behind the mining tax was not sound. The principle was that when companies are making superprofits by extracting and exploiting natural resources owned by the people who live in rural and regional Australia, at least a fair share—I would argue even a greater share than that—should be returned to rural and regional Australia. That is exactly what the mining tax sought to do. So, again, fiddle with the design of the tax all you like, Prime Minister, but do not stand here and tell us that the principle underpinning that tax was one worthy of being challenged. It simply was not.

This is very important in electorates like mine. Mining has brought great wealth to the Hunter Valley, and we welcome it. People have enjoyed living standards they could not have dreamed of without mining, although I point out that it has been cyclical and many villages in my electorate have suffered from the arrival and then departure of coalmining. The benefits need to be spread over considerable periods. Also with mining come adverse impacts. There are environmental issues—water and air quality, for example; supermarket prices rise as they are faced with the higher wages that come with coalmining; roads become excessively congested; and child care and housing become more difficult to secure as demand outstrips supply. So mining is welcomed and fantastic for mining regions, but it does bring challenges and those challenges need to be recognised when people are thinking about how to fairly distribute the government royalties and taxes that come from the industry. I appeal to the Prime Minister to rethink his position—he can redesign the tax in his own name, but can he please give more thought to rural and regional Australia?

This is a theme that has been with us for all of the almost 18 years I have been here. The conservative parties in this country have never really been serious about regional development and intervening in regional communities. Prime Minister Chifley had a deep-seated interest in this area of policy; Robert Menzies came along and did nothing over 18 years or more. It took the Whitlam years for a government to become serious for the first time in decades about intervening in regional Australia, including decentralisation. Malcolm Fraser showed no interest whatsoever, and then of course the Hawke and Keating governments picked up the ball and ran with various programs. One which stands out in my mind, shepherded by then Deputy Prime Minister Brian Howe, was in the area of housing. The current Prime Minister has a chance to break that record of conservative governments and for the first time get really serious about rural and regional Australia. I have to say that abolishing the House regional affairs committee is not a very good start at all. It sends all the wrong signals to regional
Australia, as does the decision to drop the ball on making sure that, when mining profits are high, those profits are returned to their source.

This is not the only bad sign we have seen from this government in the short time it has been in office. The other bad sign is the decision to dishonour Regional Development Australia grants announced by the former Labor government. These grants came not from election promises or announcements but from decisions of government, decisions of cabinet, made by the cabinet prior to the calling of the election. There were serious processes. Councils, typically, but also other organisations, would put submissions to the local chapter of Regional Development Australia—in my case, the Hunter chapter—and they would prioritise the projects based on their merits. People with expertise in the region, serious business people, took a bipartisan approach to which projects would proceed and then made recommendations to a second committee, in Canberra, which would again vet these projects and prioritise them on their merits before making a recommendation to the minister of the day.

That was not pork barrelling or part of an election campaign; it was a serious and credible process producing outcomes of great merit. As a result of this decision I have lost a number of seriously important local projects, and I am going to read some into the Hansard. There is the levee project in Maitland, which is a redevelopment of the Heritage Mall and an opening up of that mall to the beautiful Hunter River. That is a very important project which should have been receiving $7 million from the Commonwealth. Then we have Mid-Western Regional Council, Kandos Loft improvements; Mid-Western Regional Council, Rylstone disabled access footpath; Muswellbrook Shire Council, Denman Recreational Area facilities; Muswellbrook council again, Olympic Park car park; Singleton Shire Council, the Singleton Regional Livestock Market upgrade; and Upper Hunter Shire Council, a project known as the White Park development. These are projects the councils have been struggling to fund for some time. They are much-needed projects in these local areas. They are projects that were going to be funded under a very robust and credible process, and the funding should be honoured by this government. It is not too late for the government to honour the funding for these projects.

It does not stop there. I am bordering on devastated by the decision not to honour the money allocated under the National Crime Prevention Fund. Many towns in my electorate—like most communities—have a great need for new facilities and new technologies to deal with antisocial behaviour, vandalism and the like, and we did very well under this program. There were very important projects like $99,000 to Maitland City Council for CCTV cameras in the Maitland CBD, another $86,000 to Maitland City Council for CCTV cameras in the Rutherford area of Maitland, and new fencing for Singleton Council at a local park called Howe Park. All are very, very meritorious projects put forward by local councils that have gone through a rigorous and robust process, but for some reason they have not been honoured by this government.

We have heard a lot pre-election about the budget emergency and the level of Australian government debt. Now that they are in office there does not appear to be any budget emergency, and they are raising the debt limit so that they can borrow more and spend more. I think people out there in the community are starting to wake up to the fact that, despite what they were told by the coalition throughout the election campaign, there is no government debt
problem in Australia at all. In fact, compared with the rest of the world, we have one of the best positions in the world, and we have a AAA credit rating from each of the ratings agencies, something other countries around the globe would kill for.

Let’s not say that debt or budget deficit inherited from the Labor government, given the proportionality of that debt and deficit when you look at countries around the world, is justification for abolishing CCTV cameras in Maitland. In a government budget approaching half a trillion dollars, did we really need to deny these local communities these important infrastructure projects? I go back to where I began and to what the Australian Statistician said about the tools available to government to reduce the gap between the haves and the have-nots in this country. Even more particularly in this case, I go back to the gap between services and infrastructure enjoyed by those living, working and playing in the cities and the dearth of availability for those of us who live in rural and regional Australia.

This takes me back to a theme I was talking about on an agricultural bill in this place earlier today. We need huge amounts of investment in the agricultural sector—huge amounts. The so-called dining boom, as I like to call it, can do for the Hunter Valley and other places what mining has done to the Hunter Valley. But we will need, on one estimate, $600 billion of investment by 2050 to achieve those aims. Obviously, given the population and the nature of our country, much of that investment will, by necessity, have to come from foreign sources. The GrainCorp decision is a poor one—not just the decision itself but the failure to explain the decision and the signal that sends to potential investors in Australian agriculture all around the world. I challenge the Treasurer, if he does nothing else, to explain fully to international investors the basis on which he made that decision so they can fully understand what the rules are when they are looking to invest in Australia. At the moment global capital is very competitive. They are looking around and I suspect they are saying that it is all too hard, we are not worth the investment, and it is not worth the effort.

Debate adjourned.

COMMITTEES
Northern Australia Committee
Appointment

The DEPUTY SPEAKER (Mr Mitchell) (16:49): The Speaker has received a message from the Senate for the consideration of the House concurring with the resolution of the appointment of the Joint Select Committee on Northern Australia, subject to certain amendments. As the message is lengthy, I do not propose to read it to the House. Copies have been placed on the table and details will be recorded in the Votes and Proceedings.

Ordered that the message be considered immediately.

Mr ROBERT (Fadden—Assistant Minister for Defence) (16:49): I move:

That the variation to the resolution of appointment of the Joint Select Committee on Northern Australia of the Senate be agreed to.

Question agreed to.
BILLS

Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

That all the words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading the House notes that:

(1) in his Second Reading Speech, the Minister acknowledged:

(a) the importance of communications infrastructure to our economy; and

(b) the unforeseen evolution of technology and services that could be facilitated using submarine communications cables when Australia's links were first developed in the nineteenth century;

(2) it is critical for policy makers to adopt a forward-looking view of our nation's communications and infrastructure requirements; and

(3) the assertion that broadband speeds of 25Mbps will continue to be sufficient for the needs of Australian households in future is inconsistent with items (1) and (2)."

Ms ROWLAND (Greenway) (16:50): I was relaying to the House some of the very important information contained in the APEC report on the economic impact of submarine cable disruption, and I was talking about how the growth in bandwidth and the increasing need for international bandwidth is one of the most potent drivers of the need for upgraded infrastructure, both in Australia and between countries. As is pointed out in this report:

The amount of data and information generated, sent and received worldwide using this global network has been experiencing unmatched growth since then and has far exceeded any kind of information transmission known before.

So it is quite clear that we could not have predicted at the time these cables were first installed, particularly cables installed to Australia, what they would, indeed, be capable of achieving. This goes back to the whole point of this bill, and the point of the opposition's amendment in this case: when you seek to try to predict the limitations of technology in the future you will fail; you will come off second best. As I have said in this place in relation to the NBN, one thing that is continually overlooked by this government, which they have never come to terms with, is that the NBN is not about the download; it is about the upload. It is about what people are capable of doing with it. That is quite clear, and you do not have to take it from me. Have a look at the coalition's own broadband plan that it released in April 2013. Do a word search and you will not find the word 'upload' once.

The total incapacity of this government to grasp the nature of the NBN is absolutely staggering. You can tell why, when the now government were in opposition, they did not want to talk about this—on 20 August, we had reports that the now Minister for Communications finally admitted his NBN upload speeds would actually be very small—negligible compared with what is capable of delivery under Labor's NBN. This is not an insignificant matter. Even the United States, as the Congressional Research Service pointed out in July this year, is seeking a number of goals under its national broadband plan. Goal No.
1 is that at least 100 million US homes should have affordable access to actual download speeds of at least 100 megabits per second—not the 25 megabits per second that the government want to give you—and actual upload speeds of at least 50 megabits per second. On TechAU on 20 August: 'Turnbull finally admits his NBN upload speed will be 4 to 6 Mbps.' Well, I think that speaks for itself about the absolute short-sightedness of this government and about their absolute inability to grasp what every other developed country in the world is doing, particularly those in our region.

I will point to some even more recent news. In answer to questions put to him in Senate estimates, Ziggy Switkowski, the new acting chief of NBN Co., said:

Maybe I would rephrase the question: do you think for the next decade, which is probably as far as one can think reasonably, there will be a situation where a significant upgrade from FTTN to FTTP will be justified and required? There is a good chance the answer to that will be no.

And he warned against putting too much weight into arguments for higher internet speeds predicated on the assumption that speeds will be justified by as yet un-thought-of applications. Well, who would have thought even five years ago what the market for applications would be globally? It just shows, again, the short-sightedness of this government.

I am disappointed that the member for Ryan is not here, because I followed her speech where she talked about how good the government's policy is compared with Labor's NBN policy. But I am glad the member for Moreton is here, because he will be well-versed in this special that I would like to regale the House with. There is a very special chronology here involving the member for Ryan, and I am sure it typifies the views of many of those opposite on the NBN. On 9 December 2008, the Courier Mail reported: 'Brisbane to spend $500,000 on superfast broadband'. The article goes on to say that Campbell Newman has approved half a million dollars to future-proof Brisbane, and it continues:

"This is about future proofing our city to ensure we have the capacity to sustain the economic growth of which we all know we are capable", he said.

Economic Development Chair Jane Prentice believes the project will help Brisbane to keep up with world leaders in broadband technology.

"During a recent trade mission to Korea with the Lord Mayor, the benefits of having high speed fibre connection became clear," she said.

Note: high-speed fibre—not copper, which is what the member for Ryan and those opposite want to give to the rest of us. Again in 2008: 'Brisbane to get high-speed fibre grid: High speed optical fibre network in Brisbane could provide 15,000 jobs, tip an estimated $5 billion into the local economy'. Internet speeds between 100 megabits and a gigabit per second—so she was very ready to do that for Brisbane, but not ready to do that for everyone else. But it gets better: 'she was encouraged again to push ahead for the project after visiting South Korea'. And here we have the Sydney Morning Herald on October 19, 2010: 'Will Brisbane broadband get flushed? The company charged with installing Brisbane's broadband network has recently been forced to abandon its sewer delivery method in a smaller United Kingdom project.' And it goes on: 'Sewer broadband deal sours' in the same paper on 23 February 2011. Brisbane council has dumped the company charged with providing Brisbane's controversial sewer broadband scheme. … Opposition Leader—

on Brisbane City Council—
Shayne Sutton has questioned why the deal was being spruiked before a contract was signed.
And rightly so. Campbell Newman said:
… he announced the i3 Asia Pacific partnership in October, because "We thought we had a deal."

… … …

“I am extremely concerned—
said Councillor Shane Sutton
about the lack of transparency surrounding this entire scheme."…

—and rightly so. Lack of transparency appears to be becoming the order of the day on the 'fraudband' project that the government is trying to inflict on Australian people.

I do want to mention—and it was mentioned in question time today—the minister attacking Mike Quigley yet again. He has a habit of doing that, Mr Deputy Speaker Mitchell, as I am sure you well know, having been a member of the Joint Committee on the National Broadband Network with me in the previous parliament. But I do not want to attack the new Executive Chairman and I will not. Instead, I will draw into question the judgement of the minister, for whom it was confirmed at estimates that the now executive chairman was approached about the role well before the election. He also confirmed that he worked at NBN Co. now for 3½ days a week. How much does 3½ days a week make per month? He is making $50,000 a month. I know that is beer money—Bollinger money—for the minister, but for the rest of us it is not an insignificant amount. And, on the topic of laughing it up in question time today on the other side, we had the member for Herbert asking about Townsville. And I have a blog post here which he wrote in March this year. He asked the question: 'My mum is 81 years old. She uses Facebook, does the occasional email and books movie tickets online. Does she really need fibre? What is all this for?' Well, if the member for Herbert would care to refresh his memory, he would know that a very important series of trials were done in Townsville on a very important issue that I am sure everyone in the House would agree needs to be dealt with, and that is diabetes—the NBN Diabetes Telehealth Trial in Townsville, which was taking advantage of high-speed, in-home, fibre-to-the-home broadband to be able to deliver a very important telehealth scheme. In Senate estimates in October last year, a question was asked on e-health and the NBN telehealth trials:
The National Broadband Network (NBN) telehealth trials are funded through the National Partnership Agreement on the Digital Regions Initiative. They comprise the:
• Townsville NBN-Diabetes Enabled Telehealth Trial; and …
The trials are delivered in partnership with the …Queensland State Government and use the NBN to provide in-home telehealth services. The Townsville Telehealth trial … provide[s] in-home monitoring of key health indicators, video consultations between patients and locally based nurse coordinators and health professionals, as well as education services to promote healthier lifestyles.

One would think this is a good use of technology.

I would like to point out, however, when talking about good uses, that what has been lost in this whole debate is the consumer, the end user. We have the minister and his mates supposedly putting out a strategic review, which is going to be unbiased, despite the fact that he is already talking as if he has decided about the form of technology he is going to use. What cannot be lost in this debate is the importance of what this delivers to the consumer. I do not care how many times the minister and those opposite need to see the dilapidated state
of the copper network, but what I would like to have as a key takeaway is that you cannot do these applications of the future without focusing on the upload. You will not be capable of getting the bandwidth that is necessary if you pick and choose people who will receive fibre to the home as opposed to copper on the last mile.

This bill is all about future-proofing ourselves and about being forward looking. I would challenge anyone to vote against the amendment that the shadow minister has put up today, because it would speak volumes of those who do.

Mr PERRETT (Moreton) (17:01): I rise to speak on the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013. I particularly thank the member for Greenway for her contribution. Hers was a great victory on election day. On a day that was pretty tough for Labor, the member for Greenway was a shining light. She brings her expertise in this area to the chamber in a way that those opposite do not seem to have grasped at all. I am particularly appreciative of the fact that the member for Greenway understands the productivity boosts that will come with the NBN rollout—the fair dinkum one, not the copper-wire one, to the home—so that businesses, homes, hospitals, universities, the elderly, workers and families can get the benefits of the digital revolution. Those opposite who are sitting up in their offices tapping away on their Ataris do not seem to have grasped that we have moved on a bit. The reality is there are great benefits that can come for regional Australia. I see the member for Gippsland in the chamber and he would know of the great health benefits that come for people who cannot duck off to Melbourne every day for check-ups and the like. The digital trials will show the great benefits to our communities as these baby boomers change the shape of our population pyramid. The next 20 years—perhaps it is even the next two years—will see one in five Australians over the age of 65. The reality is that, as we age, our health needs increase. We are not a particularly healthy nation and recent data show that we are in fact the most unhealthy nation in terms of some lifestyle factors.

We have some big issues in front of us and so we need to have a piece of infrastructure that will serve Australia in the future, not the Australia of the 1890s, when they were debating whether to replace iron with copper. This is a matter of national interest that I am proud to be associated with. I think most of those opposite do understand that no matter which side of the chamber, we are here for the national interest. There is the odd individual who is here only for their self-interest, but most of us are here to serve the nation. Australia, as a high-wages country in the middle of Asia, has particular challenges. We could go down the low-wages road. That was tried by John Howard with WorkChoices, and the Australian people said: ‘No thank you. We believe in the fair go; we do believe in people having a decent wage. We don't want to be like our friends across the Pacific in the US working at Walmart who have food raising campaigns for the people who are employed.’ That is not the Australian way. We believe in decent wages, whether you are a cleaner or working on a farm or a factory. We have always believed in a decent wage.

That means that we have to do things in a more clever way. How do you do that? You accept that there is a digital age. You accept that the world has changed. The future is all about technology and the exchange of information. It is not just about downloading music, TV shows and movies. Rather, it is about an exchange of information. It is a matter of national interest. I am a bit disappointed in the Minister for Communications, because I think that he does not believe in his own policy. I know he made the front cover of the coalition's
election booklet, but I do not think he has embraced their policies. We know that from the shares he has invested in. He knows that the way forward lies with the Labor NBN scheme. There are challenges with the rollout, but you do not give up on the Snowy Mountains scheme because you encounter a different form of rock. If you believe in a national piece of infrastructure and the benefits that come particularly to the bush, that is what you do.

Business competitiveness is absolutely vital in our growing global economy, where capital moves quickly and where labour moves quickly. We must have better access to broadband both at home and in business as the divide between workplaces and home becomes more and more blurred and as permanent employment becomes a rarer beast. My four-year-old understand the benefits of superfast broadband; he understands iPads better than I do. My eight-year-old understands the fun opportunities but also the learning opportunities.

Our small and medium businesses, the SMEs, will be able to sell their products and services to the fastest growing region in the world, Asia. Four or five hundred million Chinese are emerging from a basically peasant lifestyle and moving into the middle class. There are 700 or 800 million people in India who are on the same journey towards improving their standard of living. Australia can be a trusted brand that can reach into these areas. If the Indonesians ever speak to us again, there are 240 million of them who are prepared to buy our services. I am sure the member for Gippsland, who is at the table, will be doing his best to clean up some of that mess in the future. I wish him well in those endeavours. I know he is particularly passionate about our region.

Let us have a quick look at the difference between Labor's fibre-to-the-premises model and this government's fibre-to-the-node model. Labor's NBN connected homes and businesses to the internet via an optic fibre. The expected minimum lifetime of this fibre is 60 years. It is interesting to compare that with the comments and the bit of history given by the Minister for Communications, the member for Wentworth, in his second reading speech. The speech is good. It gives a good history of telegraph cables, noting that they have been laid for over 150 years. He makes the point that 'over time, demand has caught up with the extraordinary increase in capacity'. Who would have thought that, if you create an opportunity, businesses and people will take advantage of it? He states in his speech:

Modern submarine cables typically provide multiple terabits per second of capacity when deployed and can be further upgraded, positioning them to meet future traffic demands.

You do not build a bridge for the traffic of today. You build for the capacity, in this case, of the next 60 years. With the geometric progression in data sharing around the world, you have to be prepared.

The member for Greenway touched on the vacillating proposals of those opposite. She particularly mentioned the member for Ryan. I remember the member for Ryan when she was a local councillor. A bit of her ward was in my patch. I remember her commitment to put optic fibre cables in the sewer. The Lord Mayor of Brisbane at the time, Campbell Newman, had a plan to run these cables through the sewer. Back then the member for Ryan was all in favour of superfast broadband—not at 25 megabytes per second but at 100 megabytes per second. She became the member for Ryan and all of a sudden she was happy to settle for second prize. She cannot see the opportunities that she saw when she went to visit South Korea, a country that has a bit of vision and is prepared to invest in infrastructure, that knows that the way of the future is not in low wages but in a high-skills business community, a well-
educated workforce. That is the way forward. We cannot compete with surrounding countries on low wages—that way madness lies; that way misery lies—but we can compete by being clever and educated and by having the infrastructure that serves Australian innovation.

We are that unique nation in which—Indigenous Australians aside—people have come from all over the world. That has created a sense of innovation from day one. For 223 years of a 225-year migration program, Britain was the No. 1 source of immigrants to Australia. Two years ago the No. 1 source was China and one year ago it was India. That reflects modern Australia. This chamber is slowly becoming aware of that. We have all these connections with Asia. It is not that we are breaking our ties with Europe but that we see the opportunities that come from emerging Asian markets.

As commendable as the copper network is—and it did serve a purpose years ago—it has been hard to maintain. Nowadays, if you ask anyone under 25 for their landline number they will say, 'What is a landline?' Things have changed. The world has moved on. We need a system that serves modern Australia, not what it was back in the 1950s. BIS Shrapnel estimates predict a reduction of up to 70 per cent of the current copper network maintenance costs, which are gradually increasing as the ageing network decays, in turn creating problems, particularly for regional areas, which will end up with second-rate internet and conductivity speeds. I see it in my electorate. When I go for my morning walk I see the Telstra pits. It can take up to eight months for them to be maintained properly. As Telstra has stood down workers over the years, it is not doing the upgrade that it needs to.

The cost of repairing and maintaining the decaying copper network is now so high that, in many cases, Telstra opted to deploy new fibre technology to replace parts of its network damaged by floods or fires, which sadly has been the case in Queensland over the years. The BIS Shrapnel report states, 'Overall we believe the copper network has maintenance costs of up to $1 billion a year.' I have not looked at the fees to see if they are spending that, but it is obviously cheaper to do it right, to get it done properly.

On the NBN speeds that they trumpet, the reality is they are not able to match their election commitment of 100 megabits per second. That is just a reality. Upgrading the speed of the NBN under Labor's plan of fibre to the home is simply a matter of replacing the equipment at each end of the fibre, which is much simpler. Speeds exceeding 40,000 megabytes per second have already been demonstrated in research laboratories using the same type of fibre as the NBN. So there will be opportunities for the infrastructure, if we get it right, to accommodate the digital revolution that is upon us now.

I would suggest that the Minister for Communications stop refusing our nation this vital infrastructure. Why waste the money that they are prepared to commit to come up with something that is second rate? It is funny, but I have never seen a more suddenly energised and motivated group of people than the gamers in my electorate when they suddenly realised the Liberals' plan was going to come to the fore. They were suddenly motivated about politics and asked, 'Why would we do this? Why do they have such limited vision?'

I urge people to have a look at the facts. Labor's optic fibre provides the technology to use the broadband of the 21st century, not the 19th century. Copper did serve for a time, but we have moved on. The infrastructure that we are putting in will take us to 2040 and beyond. Depending on what happens with those new experiments, it could serve us for the next 100 years.
QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Carbon Pricing

Mr HUNT (Flinders—Minister for the Environment) (17:16): On indulgence, I wish to make a correction to an answer given in question time today.

The DEPUTY SPEAKER (Mr Mitchell): The minister may proceed.

Mr HUNT: During question time, I noted that the member for Lilley had said a few years ago that it would be 'hilarious' if Labor brought in a carbon tax. For the record, his actual words were something different. His exact words from the transcript of Meet the Press for 15 August 2010 were:

… what we rejected is this hysterical allegation that somehow we are moving towards a carbon tax.

I would not want to in any way sell the member for Lilley short, and I am happy to have corrected the record.

BILLS

Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

That all the words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading the House notes that:

(1) in his Second Reading Speech, the Minister acknowledged:

(a) the importance of communications infrastructure to our economy; and

(b) the unforeseen evolution of technology and services that could be facilitated using submarine communications cables when Australia's links were first developed in the nineteenth century;

(2) it is critical for policy makers to adopt a forward-looking view of our nation's communications and infrastructure requirements; and

(3) the assertion that broadband speeds of 25Mbps will continue to be sufficient for the needs of Australian households in future is inconsistent with items (1) and (2)."

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (17:17): I am very pleased to rise to speak on the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013. It is a privilege to follow the member for Moreton, who treated us to a discursive display of views about a range of matters only extremely peripherally related to the subject of this bill. In fact, he took us through a nest of non sequiturs, an isthmus of irrelevance.

This afternoon's bill is, in fact, about the regulatory regime dealing with submarine cabling. It is true that there is, if you draw a very, very long bow, some connection between broadband networks and submarine cables. There is a connection in this sense—a broadband network of the kind which is presently being built, a national broadband network, is principally an access network, whereas a submarine cable that extends between Australia and other places, such as the United States, is used to carry all kinds of data and voice traffic. Indeed, fascinatingly, this
has occurred for more than 100 years. Submarine cables have been in existence for well over 100 years.

The member for Moreton told us about gaming. He told us about a range of other matters. Indeed, when the shadow minister spoke he was at pains to try to relate this debate to the question of the National Broadband Network. He said, for example: 'There have been problems with the construction of the National Broadband Network. That is not good enough; it needs to be fixed. But we should not stop building it.' He says that as if in some way there could be a difference drawn between the particular mode of construction which the previous government was adopting and the core construction performance. Apparently, you can sort that out, it is an easy thing to do and you should just keep doing it. The whole point is that it is not an easy thing to do. It is a very complex job. It is a job that we are now, fortunately for the people of Australia, on the case about.

I want to turn to the actual matters which are the subject of the bill before the House this afternoon. There are three specific things that this bill will do by making amendments to the submarine cable protection regime set out in schedule 3A of the Telecommunications Act. The first is to ensure consistency between the cable protection regime and the United Nations Convention on the Law of the Sea. The second is to provide a clearer consultation process between the Australian Communications and Media Authority and the Attorney-General's Department on submarine cable installation permit applications. The third is to enable significant domestic submarine cables to be brought under the regime and to be suitably protected under the regime. That is what the bill does. There is, at best, an indirect connection between the matters the subject of this bill and the matters that we heard about from the member for Moreton and the member for Blaxland.

In the time available to me this afternoon, I want to make three brief points. The first is that submarine cables are of critical importance. They are of critical importance ultimately in the end-to-end voice telephony and broadband services that are delivered to end users. The second is that significant risks face the operators of submarine cables. The third is that there are important measures in this bill which will facilitate the rollout of submarine cables to make an inherently risky business slightly less risky.

Let us turn to the proposition that submarine cables are of critical importance. Madam Speaker, may I parenthetically take this opportunity to congratulate you on your elevation to the high office that you now hold, this being the first opportunity I have had to do so.

It is no surprise that Australia, as an island nation, is extremely dependent on submarine cables. Submarine cables connect our country with the rest of the world and form an important part of Australia's telecommunications infrastructure. Modern submarine cables allow for the transfer of vast amounts of data and they carry the vast bulk of Australia's international data and voice traffic. It follows from that that if there is damage to cables—if there is service disruption to cables—it can have a very significant economic impact. It is for this reason that the Australian government in 2005 established a regime for the protection of nationally significant submarine cables connecting Australia to other countries. Indeed, that regime has been praised by organisations as diverse as the International Cable Protection Committee and APEC as a global best practice approach to the protection of submarine cables.
It is worth making the point that submarine cables have been around for a very long time. Initially, they were used for the purpose of supporting telegraph traffic. The first submarine telegraph cables were laid across the English Channel in 1851 and then across the Atlantic Ocean in 1866. Australia received its first submarine cable connection quite early, in 1872, through the Java to Port Darwin telegraph link. This in turn led to a connection to the southern capitals via the iconic Overland Telegraph Line, which was built by Charles Todd. There is another important Australian connection with submarine cables. In Australia for a number of years the No. 2 telco, Optus, was owned by the British company Cable & Wireless, which for over 100 years had been one of the world's great submarine cable owning companies, albeit its role in that field is much reduced today. The origins of Cable & Wireless date back to the 1860s. The company was founded by Sir John Pender, the Manchester cotton merchant, who was the financier of the Great Eastern, the ship which laid the successful transatlantic telegraph cable in 1866. The company enjoyed a near monopoly on international communications for many years, embracing over 50 telegraph, radio and telecom companies. To take one example, in 1901 the Eastern Telegraph Company, which was a predecessor of Cable & Wireless, had an international communications network of around 150,000 kilometres of undersea cables.

If we take the story forward over 100 years, around the turn of this century there was a boom in the cable construction business, with companies like Global Crossing established to build-out traditional submarine cables. Indeed, Cable & Wireless was also pursuing at that time a focus on building internet backbones around the world, including backbones running through submarine cables. There was a view around the telecommunications industry at the time that internet demand was going to expand without limit. So the business strategy of building out cables was apparently guaranteed to succeed. With so many new cables being constructed at the time it turned out that, despite the best expectations of those who were putting money into this field, the boom was not a sustainable one and many of the cable owning companies went into bankruptcy. Global Crossing went bankrupt and Cable & Wireless saw its shares drop from five pounds in early 2000 to 34 pence a couple of years later.

There is a nexus between submarine cables and the end-to-end broadband service which is delivered to Australians. It is not the matters that were being discussed by the members for Moreton and Blaxland. The submarine cable issue has nothing to do with the access network, which is the subject of the National Broadband Network, that those two members were incorrectly speaking about in their contributions on this debate. There is a connection, because it is the end-to-end connectivity which ultimately determines the customer experience of the person connected to the network. Notwithstanding all the rhetoric from the former Labor government about the National Broadband Network, they had very little to say about another potential bottleneck, which is of course the submarine cable. When so much traffic is travelling across the Pacific from Australia to the United States in particular, if there is a bottleneck at that point, the end-to-end experience is likely to be a constrained one.

Madam Speaker, I feel confident that you and my parliamentary colleagues share a strong interest in the details of the submarine cable industry. I could go on for some time, but I have been encouraged to digitally compress my remarks. I am very pleased to digitally compress my remarks by making the point that the measures in this bill will facilitate the rollout of
submarine cables by, in some important ways, reducing the risk which is faced by operators in this vital industry. I am therefore very pleased to commend this bill to the House.

Debate interrupted.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Budget

Mr HOCKEY (North Sydney—The Treasurer) (17:27): Madam Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER: The Treasurer may proceed.

Mr HOCKEY: I report to the House that the government has come to an agreement with the Australian Greens about the Commonwealth Inscribed Stock Amendment Bill 2013. The Greens have engaged in honest discussion with us about dealing with the debt limit that was put in place by the Labor Party in 2008. The original debt limit was $75 billion. That was broken by the government. It was increased to $200 billion, and the Labor Party broke that; then $250 billion, and they broke that; and then $300 billion, and they broke that. The Labor Party treated the debt ceiling limit as a target. It is not a target; it is in fact a way of constraining the government in the way it goes about its business. The problem was that Labor could never keep to it. We sought to increase it to $500 billion on the best advice from the Treasury, based on the legacy of debt that we have been given by the Labor Party, together with a $40 billion to $60 billion buffer to reassure the markets that Australia remained open for business.

The fact of the matter is that next week we will reach that $300 billion limit. We did not create this debt; we are now trying to fix it. Immense uncertainty surrounds this issue. The Labor Party have refused briefings from the Treasury. We offered the Leader of the Opposition briefings from the Secretary of the Treasury about this matter; he refused them. When we spoke to the Greens, they were prepared to engage in full and frank discussion.

I table the agreement with Senator Christine Milne. This is the totality of the agreement. There are no side deals. There are no winks and nods about any other issues. The agreement comes down to greater transparency about the debt and how it is used by the government. I have no problems with that at all. We have a mandate to fix the problem and we will fix the problem. But, unfortunately, the Labor Party has consigned itself to irrelevancy in relation to these economic matters—complete irrelevancy. The fact that the Australian Greens were far more amenable to dealing with what is a major problem of the Labor Party's creation, and the fact that they were prepared to deal with us but the Labor Party was not, says everything.

We need to move quickly in dealing with this. Now that an agreement has been struck and that the Greens will be moving amendments in the Senate, I ask the Labor Party not to delay the passage of the legislation. It is one thing to prosecute the argument about the $400 billion, but I urge the Labor Party to deal with this as soon as possible in the Senate and in the House of Representatives to avoid any uncertainty about Australia's capacity to meet its needs. It was a significant issue facing both this House and the Senate over the next few days. The matter has now been resolved.
The SPEAKER: The Treasurer did in fact have a question asked of him during question time relating to any deal with the Greens and any terms and conditions that related to it. He has added to his answer by tabling that agreement.

BILLS

Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

That all the words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading the House notes that:

(1) in his Second Reading Speech, the Minister acknowledged:

(a) the importance of communications infrastructure to our economy; and

(b) the unforeseen evolution of technology and services that could be facilitated using submarine communications cables when Australia's links were first developed in the nineteenth century;

(2) it is critical for policy makers to adopt a forward-looking view of our nation's communications and infrastructure requirements; and

(3) the assertion that broadband speeds of 25Mbps will continue to be sufficient for the needs of Australian households in future is inconsistent with items (1) and (2)."

Ms BRODTMANN (Canberra) (17:32): I am delighted to have the opportunity to speak on the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013. For many, I am sure, submarine cables may not be the most captivating topic—but it should be, particularly when we think about the important role that they play in connecting us with the rest of the world.

Submarine cables are how Australia connects to the rest of the world. They allow us to overcome the tyranny of distance, which has so defined our past. It is probably under-appreciated, but it is submarine cables that have enabled Australia to be the vibrant, intelligent and diverse nation that we are today. Submarine cables carry the bulk of Australia's international voice and data traffic. They are quite literally what allows us to communicate and to connect with the rest of the world in real time.

In preparation for this speech, I was looking at a global map of submarine cables, and it was nothing short of a thing of beauty. The colourful lines connecting the most far flung stretches of earth could have been aeroplane or shipping routes. But the reality is that they are something far less visible that most Australians are blissfully unaware of.

Australia's geographic remoteness, the fact that we are an island nation, means that submarine cables are of vital importance to us. And in an age where communications infrastructure defines our productivity, our success and our future, submarine cables are all the more important. Damage to these cables can have a significant economic impact. Damage can easily cause service disruption. When damage occurs, it is overwhelmingly caused by something man-made. Around 70 per cent of all cable faults are caused by fishing and anchoring in depths of less than 200 metres. In Australia, where we depend on submarine
cables to connect to the global telecommunications network and engage in the global digital economy society, the risks associated with cable damage are serious and significant.

This bill, which allows for the better protection of Australia's submarine cables, is therefore a very worthy one. It streamlines some of the processes to provide protection to these cables; to include submarine cables that might only link points in Australia, such as those that cross Bass Strait; and to ensure the consistency of the laws with international obligations. When those opposite persist in speaking of the need for small government, this bill is a timely reminder that it is schemes like the submarine cable protection regime that demonstrate why government regulation is important.

This bill was originally drafted by the Gillard government, and it is pleasing to see that it has maintained its bipartisan support and has been introduced by the Abbott government. The reason the bill has bipartisan support is that both sides of this House recognise that, in the 21st century, communications infrastructure is critical. Both sides of the House recognise that it is communications infrastructure that will define our economic success in the future. Those opposite recognise the need for interconnection, the need for connection and the need for connectedness. This is why it is so puzzling, so absolutely dumbfounding, that they have chosen to significantly downgrade, cut, the most important communications infrastructure project of the 21st century, the National Broadband Network.

The amendments moved by the shadow minister point out this inconsistency, this disconnect. The government has praised the rollout of international undersea fibre optic cable for being forward-looking but is not adopting the same approach to the rollout of fibre optic cable on land. The National Broadband Network is the biggest and most important infrastructure project in Australia right now, and Labor believes it should be done right. That means fibre to the premises delivering speeds of up to 100 megabits per second to every Australian home, every Australian school and every Australian workplace where that is possible.

Those opposite agree that fibre is the endgame, that fibre to the premises is where we all need to get to eventually; they just do not want to do the necessary work to get it done now. Their plan is to build fibre to a box in the street and then use the old and failing copper network to connect to homes and businesses, delivering maximum speeds of just 25 megabits per second. If anyone wants fibre to the home badly enough, they can simply pay for it themselves—assuming they have a spare $5,000 sitting in their kitty—and then, in ten or 15 years time, when they realise that we actually need fibre to the premises, some future government can simply deal with the mammoth task of rebuilding the network. It is that simple, according to those opposite.

The NBN policy of the Abbott government is nonsensical. It may save some costs now, but the long-term costs of their plan will far outstrip those of Labor's plan. There is a saying: 'Do not put off until tomorrow what you can do today.' But obviously those opposite have never heard it, because putting off until tomorrow what should be done now is their modus operandi. It is how they are responding to climate change—do nothing now and let our children deal with the consequences in the future. And it is how they are planning on building the NBN—do half the job now and let our children deal with the rest. It is simply not good enough. Labor want to do this right, and we want to do it right the first time.
I would now like to talk about the effect the coalition's dud policy is having in my electorate. Some suburbs in the neighbouring electorate of Fraser were lucky enough to be high on the NBN rollout list. Right now, Canberrans in Casey, Ngunawal, Amaroo, Gungahlin, Palmerston and Franklin, and businesses in Mitchell, are accessing the fastest internet speeds in the country—and they love it. In fact, these northern Canberra suburbs have had the highest NBN take-up rate in the country. There are schools in the north of Canberra who have their Japanese classes taught via video link from Japan and there are Canberrans who can access a medical specialist without leaving their homes. Those lucky northern Canberrans are realising the potential of the NBN every day.

However, just 20 kilometres south, in my electorate of Canberra, things are not so rosy. Large parts of Canberra were on the cusp of receiving the NBN prior to the election. Construction was due to begin in Kambah, Wanniassa, Mawson, Farrer and surrounding suburbs in September this year. However, when the coalition took office that construction was halted. The coalition has created a digital divide here in Canberra. While Canberrans north of the lake are already reaping the rewards that the NBN brings, those south of the lake now do not know if they ever will. By stopping the NBN mid-rollout, the coalition has created digital divides like this all over the country. Houses on one side of a road have fibre to the premises, while houses on the other side will have to pay up to $5,000 for the privilege. I wonder if the coalition has properly thought through the ramifications of these digital divides.

Why, for example, would a business choose to set up operations in the industrial suburb of Hume, in my electorate of Canberra, when they could set up in the industrial suburb of Mitchell, in the electorate of Fraser, where they will have fibre to the premises? Why would a parent send their child to the local school, which does not have fibre connected, when the school in the next suburb does? It is not so far-fetched to imagine that this digital divide could have an impact on real estate prices. Real estate ads in the future could read: 'Three bedrooms, two bathrooms, double lock-up garage and fibre to the premises.' With this digital divide, some people on one side of the road might have to pay up to $5,000 to connect fibre to their home, when a house on the other side of the road that they could potentially be looking at already has fibre to the home.

The coalition's policy is not just inferior to Labor's, it is also inequitable. It simply is not fair. Australians want a fibre to the premises NBN. As the shadow minister said today, Australians certainly did not vote for the coalition because of its NBN policy. In fact, they probably voted for the coalition in spite of its NBN policy. Just last week, a constituent of mine, Stephen Kelly, delivered a petition to me with 270,640 signatures calling for a fibre to the premises NBN. Labor is listening to Australians on this issue—why isn't the government? Japan, South Korea, Singapore and New Zealand are all investing in fibre to the premises—why aren't we? This government is putting Australians at a disadvantage. We are being left behind with a second-class, second-rate broadband network.

There is bipartisan support for the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013 because both sides recognise the importance of communications infrastructure and connectedness. Prime Minister Abbott has promised to be the infrastructure Prime Minister and he has promised to build the infrastructure Australia needs for the 21st century. Why then is he walking away from the most important infrastructure project of the 21st century? It is simply inexplicable.
Ms OWENS (Parramatta) (17:42): I am pleased to stand to speak on the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013 and the amendments moved by the shadow Treasurer. Submarine cables have been around for a while, as a previous speaker said. In fact, they were first laid in the 1850s, long before we were talking about fibre. They went to fibre in the 1980s, when fibre was found to be the best, fastest, most long-lived and expandable option.

I have to say that it is probably just as well that the current minister was not the minister then, because I suspect we would have stayed with copper at that time, or perhaps gone fibre to the low watermark and copper from there. Instead of that, we have an extraordinary submarine cable network around the world that allows for the transmission of data and communications between continents at an incredibly rapid rate with the highest possible standard of technology. We heard the minister speak about the wonders of fibre when it comes to submarine cable protection, but we have also heard him in many forums talk about the fact that, once that fibre gets to Australia an old, ageing copper network is good enough.

I want to talk today about how the minister's decision not to go with fibre to the home affects some of the people and the small businesses in my electorate. I want to talk first about a young woman in my electorate called Gretta. She is an extraordinary young woman. She has cerebral palsy. She has very little movement. She is very smart. When I first met her, she had just graduated from high school and she wanted to go to university but was having trouble because she could not get there—she needed quite sophisticated transport because of the weight of her chair. We managed to fix that with some personal plans, which we introduced as a federal government. But Gretta talked at length about the dreams that she had as a young woman, and the thing that I learned from Gretta is that, for people like her, we are at a point in time which is like an alignment of the planets.

Gretta, like so many young people around the country, has an iPad. It has the brand-new swipe technology which Gretta, even with her limited movement, can use; in fact, she operates it with her nose. She has wi-fi on her chair and, when she is at various places around the city, she can actually communicate verbally through her iPad. It is quite remarkable. And I have seen four- and five-year-old children who are not verbal do the same thing with iPads. It is this new technology which the commercial world has provided which changes the ability of a person in such circumstances to communicate and puts them on a completely different playing field to the one they were on before. On top of that, there is the National Disability Insurance Scheme, which provides a person like Gretta with the opportunity for flexibility in the way her support is given—and her decision to use that support to go to university is an example of that.

And then there is the possibility of fibre to the home. For a person like Gretta, that gives her smart-house technology. It gives her back-to-base monitoring. It allows her to turn on her air-conditioning. It allows her to open her front door without having to ask her mum to do it for her. It provides a level of independence in ways that we really have not thought of yet because we are just coming to terms with the possibilities of fibre-to-the-home technology.

If those three things come together, it means the life that a person like Gretta, or a person born tomorrow in Gretta's circumstances, will live will be profoundly different from the life that Gretta has had until now. These are life-changing years that Australia faces at the moment for people like Gretta and for many, many others. The possibility of delivering
speech therapy to people in regional areas, Auslan interpreters in schools in remote towns, back-to-base monitoring of medical conditions—there are an incredible range of possibilities that the NBN could provide to a whole range of people that would profoundly change their lives.

The election of the Liberal government and their extraordinary short-sightedness in believing that the copper network will do anything like this is a real blow to a whole range of people whose lives could be profoundly different if this government went along with the kinds of decisions that governments overseas are taking.

We can also see, of course, the many opportunities for business in Australia if we had fibre to the home. All over the world, in markets much bigger than ours, governments are getting ahead of us in terms of broadband speeds, and when that happens there is innovation from a whole range of people who dream—from entrepreneurs, scientists, engineers and just people in their houses. My neighbour has turned his house into a 'cloud' now, because the NBN actually reached his suburb. He has now created a cloud business in his home. The emergence of cloud style businesses and software all around the world is an indication that the rest of the world is taking on a situation where people can communicate with each other through fibre from wherever they are.

We talked about this in business 35 or 40 years ago. In fact, in the late eighties, I gave a few lectures on the possibility of fibre and I ducted my business, when we renovated, for fibre. I was ready! But we talked then about the possibility of people in one country working alongside people in another, of businesses literally crossing the oceans through fibre—under the oceans and into our homes and businesses—and allowing a form of collaboration and a level of entrepreneurial activity which we are yet to see but we are just beginning to get to. The development of this cloud based software is an indication that that is the way the world is going.

In a country the size of Australia, if we go down the Liberal path, where it is fibre to the home if you can afford it but not for the rest, we will not get the critical mass that will drive the innovation from our entrepreneurs and our businesses that will allow Australia to be part of this new world. It is not right that this government thinks it is okay that we import the best ideas from the rest of the world but do not provide circumstances in Australia where businesses can develop their own. In fact, for a government that believes it has a plan for the future and believes it is about business to turn its back on one of the biggest growth areas for business in the world is quite extraordinary.

You can see that, even dealing with businesses now. I recently drove down the highway towards Cooma, heading to a state park for a bit of a camping weekend, and I drove through a small town called Bemboka. I stopped at an art gallery not far off the main road—this is a main road between two reasonable sized centres not far from Canberra—where I decided to buy some pieces of pottery that a local potter had made, and the poor man that owned the gallery took half an hour to get his credit card machine to work by mobile. He ended up going out into the yard to get a signal that would last long enough to do a credit card transaction so that I could buy something. I stayed there for half an hour after I had decided what to buy. That is how long it took to buy it. What chance does that business have? That business, by the way, is two kilometres from the main road, so I think perhaps his connection charge would be slightly more than the $5,000 average that we are hearing about. But what chance does that
business have—what chance does that community have, actually—to grow in the modern world, when you cannot easily do a credit card transaction in your small business, in a town a couple of hours from Canberra on a main road? That is an outrageous position to be in.

For a government that pretends to care about regional areas, not to have fibre to the home as its priority is quite extraordinary. People who live in regional areas a long way from the footpath, a long way from that box, will have to find thousands of dollars in order to connect to what should be a right in this country. We have an incredibly short-sighted government which does not seem to understand the possibilities of this new technology. It seems to think that all we are talking about is what we already do with our slow speeds—movies, a bit of texting, a bit of communication, a bit of skyping. That is not the world we are entering. That is not what we are talking about. We are talking about making sure that entrepreneurs and businesses in this country can take advantage of who we are. We are one of the great innovative countries of the world. We produce scientific papers and inventions above our weight. We are extraordinary thinkers. We are flexible and we problem solve in an extraordinary way. We are not as good at investing in ourselves, but we come up with answers at a rate that the rest of the world does not. We are an exceptionally inventive country.

At a time when the world is becoming increasingly connected and true globalisation—which is that your inputs, labour, everything, particularly in the service economy, comes from wherever it is and is linked through modern technology into a virtual business—is beginning to happen in a real way around the world, just look at who we are. Come to my electorate, any of you, and you will see an area where there is not a single language we do not speak. We speak every language in Parramatta. There is not a country we do not know; there is not a culture we are not familiar with; there is not a city we cannot drive through without a map. We have a population in this country that can work and collaborate with people in any country in the world. The only thing that stops us from doing that to the full extent of our capacity is our slow, outdated communications technology.

It is quite shameful that the previous Liberal government did not act on this, that in 13 years the previous Liberal government did not consider that it was important to upgrade our technology in the way we needed to. It is particularly shameful now, when the rest of the world is moving so fast in this area, that our newly elected government, which thinks it is for the future and thinks it represents small business, does not bother to make sure that we have the technology we need to benefit from who we are.

Also, we are sitting on the edge of the fastest growing region in the world. There is no doubt that, just as our northern neighbours are starting to overtake us in their focus on education, they are also overtaking us in the speed of communications technology and the accessibility of it to their populations. In a very short period it will become apparent even to those opposite that we will have squandered the time that we need to make sure we are in the most competitive position. I would ask the government to consider seriously the approach it is taking to this incredibly important area.

I come from an arts background. For me, it is never about what you can do; it is not even about what you can imagine; it is about making sure that you strive for things you cannot yet imagine; it is about making sure that the people with the smartest minds, with the greatest ideas and with the greatest of entrepreneurial flair can use those talents for the benefit of the
community. On this side of the House we know that the Grettas of the world need this technology to live a better life. We know that the entrepreneurs in this country, the small businesses in this country, the inventors, the scientists and my neighbour with his new cloud based business all need this technology in order to use who they are for their own benefit and for the benefit of this nation.

It is great to talk about submarine cables and it is a really terrific that they are the highest technology and the best quality we can get; that takes it to our shores and connects the businesses that are big enough to afford to be near big cities where they can benefit from the high speed. There are many others in this country who have much more to offer as we move into this new age. It is about time the government opposite made sure that they are supported in those endeavours.

Ms MacTIERNAN (Perth) (17:57): A number of my comments are going to be very similar to those of the member for Parramatta because I too was very interested to read the history lesson we were given by the minister on the submarine cables that join Australia with the rest of the world. I remember when coaxial cables came in. I can remember, as a kid, listening to the cricket and that swishing sound which I used to think was the sound of the waves over the cable. I now understand that that is not the case and that it was in fact in-cable amplifiers which caused that noise. As the member for Parramatta said, the minister rightly spoke of the importance of the new technology of fibre optic cable that came into being in the 1980s. Even though that was at a time well before the internet, it was felt to be very important to use the latest technology. Our economy was growing and we were growing numerically, with an increasing amount of data to transmit.

But I think we are seeing some irony here. The minister went on to pontificate about his decision. While we are going to have first-class connections to the international community, once the cables hit Australia the data is going to be zooming around on 20th-century technology. I found it interesting that the minister would not be the slightest bit embarrassed by that juxtaposition and that he would indeed use his second reading speech to promote the benefits of fibre to the node.

I am going to talk about some of the reasons I think the minister is going to find it extremely difficult to meet his commitments. We all know about the inadequacy of us being confined to download speeds of 25 megabits per second, but I think the minister faces a very profound difficulty in implementing even that vision. That difficulty is the status of the copper wire network. The government has estimated that they might have to replace something of the order of seven per cent to 10 per cent of the copper network after the node point. But that appears to be a calculation with no substance behind it. It is literally a back-of-the-envelope calculation and it does not stand up against my experience of the situation in my electorate.

When the government says, 'We can deliver the NBN more cheaply,' that whole claim rests on the idea that in 90 to 93 per cent of cases it will be possible to use the copper network to go from the node to the premises. But that is, as I said, based on a calculation that has no support. No matter where you look to see where that calculation came from, there is absolutely no support for it. Where is the documentation? Where are the figures? Where is the support for that estimate? No matter where you look, you cannot find it. In reality, there is grave uncertainty about whether that copper network is fit for purpose.
In 2004 Telstra themselves were prepared to acknowledge the state of their copper network. At the Senate committee inquiry into broadband competition, Dr Tony Warren, then the group manager of regulatory strategy, said:

I think it is right to suggest that ADSL is an interim technology. It is probably the last sweating, if you like, of the old copper network assets. In copper years, if you like, we are at a sort of transition—we are at five minutes to midnight.

Telstra went on to explain that they thought, at that stage, that the copper network had perhaps another 10 years of life in it. That was 2004. Next year we come to the end of that 10-year period, yet we are now about to embark on a re-visioning of our national broadband network which relies on that copper network, a network which, in the words of its owners, is on its way out. In the words of its owners, it is reaching the very last of its life.

The experience from my electorate confirms just that. I will focus on the suburb of Bedford, a suburb about seven or eight kilometres from the CBD that was principally built in the 1930s and 1940s. In Bedford, even for telephony the copper network is incapable, in many instances, of providing a reliable service. Breakdown of lines and the discontinuation of landline services happens with great regularity. In the vast majority of that suburb, it is not possible to even get ADSL2. You cannot subscribe to ADSL2. Resident after resident with very slow ADSL has reported that even that regularly drops out. It drops out as often as every half-hour, making it virtually impossible to work from home.

We have had many technicians from the area come in and explain the problem with the network to us—that there is simply no redundancy left in the system. Pretty much all of the pairs have been consumed. It is just not possible to give any upgrades in speed, because there is not enough capacity on the network. This is compounded by very poor maintenance. The lines in this area—and, on the evidence, I am sure this is the case right across Perth—have been very poorly maintained.

It is extraordinary that the minister was talking today about how he is actually going to be prioritising those areas. He is going to be doing some work on assessing the capacity of the network across Australia and prioritising for a future rollout. But there does not seem to be any information available from Telstra on exactly what the condition of the network is. I find it extraordinary that a company that has had such an asset seems to have no data on the condition of that network and is unable to identify what the capacity of that network is. The prioritisation is going to have to be based on information from retailers, carriers and mobile services which cover that area.

But one of the themes coming through from all the people who are contacting us about the very poor level of service is that, to some extent, the companies have just given up—and, as a result, those people have given up too. Complaints go completely and utterly unattended and people have, unfortunately, just learned to live with it. They have been told by their service providers: 'Look, do not worry us. We are waiting for the NBN rollout. When the NBN rollout comes, we will be able to do something, but in the interim there is nothing we can do.'

If you have a plan that is based on using a copper network that is simply not capable of supporting in any reliable way even an eight megahertz transmission of data, how can you support 25 or 29 or whatever it is that the Minister for Communications is promising? It is simply not going to be capable of that. The cost of attempting to remediate the system is going to end up totally changing the cost differential. The minister has made so much of the
fact that his project is much less costly, but it is only much less costly if you have a copper network that is capable of sustaining what he believes it can. All of the evidence that we have had to date tells us that that is extremely unlikely and that we have a five-minutes-to-midnight network.

There is also going to be a considerable problem in timing—in designing this new system, in designing the location of the nodes. This is not something that can be done overnight. This, one would imagine, would be at least an 18-month or two-year task. There is simply no way that this system is going to be in place in 2016, as promised. It is physically not going to be possible to do the comprehensive redesign of that whole system and at the same time get it built. The promises we have been made are that it is going to be cheaper and they can get it out faster. We are going to get a second-rate product, we are going to get a 20th century product, but don't worry, it is like fast food—like going to Kentucky Fried rather than waiting around for a nice, well-cooked meal. Go and get your Kentucky Fried and be happy about that. I think we will see that even the KFC of broadband is not going to be deliverable. It is a second-class product.

Mr Tudge: What have you got against KFC?

Ms MacTiernan: I do eat KFC; I quite like it. We all like rubbish from time to time, but I would not want to see us spending $35 billion on a rubbish network.

Mr Tudge: You would prefer to spend $70 billion.

Ms MacTiernan: The point I am making is that we were delivering a 21st century product. We were delivering a product that was going to be capable of doing what it was supposed to. You have some profound technological challenges in delivering even this very modest fraudband that you are proposing, and I think you have completely and utterly underestimated the difficulty you are going to have delivering over the copper network.

The DEPUTY SPEAKER (Hon. BC Scott): I call the member for Ryan, in continuation.

Mrs Prentice (Ryan) (18:10): by leave—I note that the member for Perth was talking about copper, and of course the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill is about submarine cables. As I was about to say earlier, Australia’s regime has been praised as a global best practice example for the protection of submarine cables by the International Cable Protection Committee and APEC. While terror attacks on submarine cables have been relatively minimal and there is no shortage of infrastructure that terrorists may attack, fibre-optic cables hold a symbolic appeal, being the vehicle that delivers cyberspace to the masses worldwide and also the conduit for global financial transactions.

While it is likely for now that cable damage will simply remain accidental and rare, the coalition recognises that it is important to remain ready and proactive to ensure that the practice does not become a serious infrastructure threat. The coalition stands ready to advance the infrastructure required for the digital age.

I understand that while I was not in the chamber the member for Greenway took the opportunity to quote statements I had made previously about the NBN. I want to place it very clearly on the record that I have always supported a national broadband network. I have never supported Labor's version of NBN Co., which is a disgrace. It is a white elephant costing the Australian people billions of dollars more than it should. I refer, as the member for Greenway did, back to my days on the Brisbane City Council. We worked for many years on a business
model. We proofed up that business model; we developed a financial model. We trialled the business model and we trialled a practical example of laying fibre across the city. We went out to tender. The grand cost, the great cost of fibring the whole of the Brisbane City Council area, was going to be covered by private enterprise, not by government. We were going to offer a ubiquitous broadband network across the city at no cost to the ratepayers of Brisbane.

What did the Brisbane City Council do when we heard that the Prime Minister at the time, Mr Rudd, had had a little thought bubble? We contacted Ministers Conroy and Albanese and offered them copies of our business model and our financial model. The response was silence—they were not interested in something that had taken more than six years to develop, that had been tested and proved; they were not interested in working with us to deliver a network at no cost to the ratepayers and taxpayers of this country. No, they preferred to spend $64 billion—plus, plus—on a project that was never going to work. I support a national broadband network; what I do not support is the absolute waste that the Labor government inflicted on the taxpayers of Australia and that future generations would have had to pay off. It is an absolute disaster and the service would be much better delivered by the private sector. Unfortunately we are too far down the track for that. I condemn the opposition for the appalling model that they developed and for their refusal to work with people like the Brisbane City Council. In fact, the minister at the time threatened to write retrospective legislation to stop us delivering our system. That was the sort of attitude this opposition had when they were in government.

Mr BANDT (Melbourne) (18:14): I rise to make some brief remarks on the Telecommunications (Submarine Cable Protection) Bill 2013. The Greens generally support the principle behind this bill, but will refer it to a Senate committee for inquiry. We will do this for several reasons: first, to ensure that the results of the statutory review undertaken by ACMA five years after the 2005 legislation are adequate; second, to review the decisions taken by the government in addition to the outcomes of the review.

The Greens appreciate the extent to which Australia's connection to the world is dependent upon the security of telecommunications transmitted on submarine cables and wants them to be protected. As a May 2013 Australian Strategic Policy Institute paper noted, five main international cables, each not much thicker than a common garden hose, connect Australia to cyberspace and global voice networks, making them vital to our communications, economic prosperity and national security. The ASPI report noted that the AFP is responsible for compliance with the laws but indicated in the review process that they do not have the resources to monitor the cables in maritime zones. AMSA, the Australian Maritime Safety Authority, and the FMA provide some surveillance, but these agencies, as well as the cable owners, indicated in the review process that monitoring arrangements were unsatisfactory. It is unclear whether these issues have been dealt with in the bill.

New Zealand apparently does better in this regard than Australia, and perhaps we have something to learn here. These cables need protection from all the inadvertent, accidental causes of disruption, such as fishing and anchoring, as well as from attack as outlined in the bill. Our cables also require protection from tapping, which could lead to indiscriminate and unlawful access to Australian telecommunications data and content. Are the mechanisms outlined in this bill, and those already in place arising from the 2005 legislation, preventing
this type of interference, and will they prevent this type of interference in the future? This is a question that we hope the Senate committee will be able to resolve.

The vulnerability of submarine cables to tapping is the subject also of recent revelations. A 7 July Washington Post article analysed the ways in which surveillance of telecommunications via fibre-optic cables on the seabed could be done through: a seemingly mundane government power: the authority of the Federal Communications Commission to approve cable licenses.

The Washington Post piece discusses the four US submarines, fitted out for special missions, that attached listening devices on the outside of a cable's housing. Apparently, cable landing stations near or upstream from them are the likely locations for electronic copying in a way that is invisible. The Washington Post article also alleges that the licensing and permit approval processes in the US were held up essentially to allow time for lawyers from the FBI and departments of Defense, Justice and Homeland Security to broker deals with the firms wanting to lay cables that transited the United States.

The minister acknowledged in his second reading speech that he was a director of Reach. Reach would be the Telstra and PCCW joint venture company that was compelled to enter into an agreement with the FBI in 2001 to allow access to the data transmitted by undersea cable, including billing data and stored communications of Telstra customers. In the agreement, all of this was exempted from FOI and also from the privacy laws. Protecting the security of submarine cables is a very serious issue, as the minister states, but protecting the integrity of Australia's legislated privacy protections and the human right of Australian citizens to privacy and the rule of law standards are also very serious issues.

This bill includes new powers for the Attorney-General to direct ACMA to refuse a permit on security grounds. The bill provides that ACMA must, within two days of receiving an application, inform the Attorney-General, who must then get back to ACMA with a decision within 15 days. Under section 72A, the Attorney-General must consult with the Prime Minister and the minister before deciding that an action on cable permits would be prejudicial to Australia's security. Hopefully, the Senate inquiry process will clarify what criteria the Attorney-General might use to make this determination. Given that the decision is not reviewable, what the Attorney-General needs to have regard to may need further elaboration.

The Greens are committed to ensuring that Australia's submarine cables are secure, and this is inextricably linked to ensuring that the privacy of Australians' telecommunications are protected from illegal and unsupervised surveillance.

Mr RIPOLL (Oxley) (18:20): You have certainly got to be quick on your feet here, but I am going to see if I can take my full time and make sure that I make all the necessary points that are required in this debate. This is an important bill. It provides for the security of Australia's submarine cable and for a whole range of measures to ensure that security and a range of related issues. I know that Labor members are supportive of the important things that need to be done in this area. There is no question in my mind that the marine cable that links Australia to the rest of the world and provides that large pipe—that window to the rest of the world—to our telecommunications and to our capacity to cooperate, link, interact and do business with the rest of the world is of vital importance. It is critical importance.
This cable is not new. It has actually been underwater for quite a number of years. It was first executed in 1946. It draws your mind, and I want to take this opportunity to speak about the cable. In the second reading speech the minister not only outlined the purpose of the bill but also decided to speak about NBN Co. and talk about the NBN. He really opened the door—or, as it were, opened the pipeline—to talk about NBN and the link between the submarine cable, which is Australia's link to the rest of the world, and NBN Co. and how we link homes to the rest of the world. And I couldn't help but think—I just had this image in my mind—back to the 1940s when this was first dreamed up. That was quite a long time ago, Mr Deputy Speaker—and longer for some than others—but in 1940 they must have been sitting around and talking about the future. I am sure there was no-one, in 1940—in the Menzies government then—who could have imagined just what might be possible with an internet connection or an underwater cable. I can just imagine that, if they had had the same principles, or the same concept, as the Liberal Party does today, many decades later, they would have said: 'Look, we are going to run this cable. We are going to go to all this expense'—it must have been an enormous expense and an enormous undertaking to lay such a cable to Australia—but they would have said: 'Do you know what? We are just going to run the cable. It is going to be fibre to the coast, and that is as far as it goes. Once it gets to the coast, that is it. The rest of you are on your own. If you want to hook into it, you can rock up to the beach, bring your little connection kit, and you can find a way—dig your own trench, hook up your own little bit of copper, and you can get yourself connected to the rest of the world.' Can you imagine what would have been going through the minds of people in the government, in the parliament or around the country, back in the 1940s, if that were to have been the case? Of course, it was not the case—because back then they could see the future even if they did not know what it would look like.

Today we have the opposite. Today, we have some sense of what the future might look like, because our eyes have been opened to the vast potential that exists through our communications, through the internet and through large fibre-optic cables—but we have a government that does the exact opposite. It wants to close that loop. It wants to strangle the optic-fibre cable and it wants—and I cannot understand this for the life of me—to make it as hard as possible for people to connect. They are not running fibre to the home, which guarantees you that right in front of your door, whether you connect today, tomorrow, next year or the year after, the connection is there—right to your home: that is where the future exists; right at your front door, when you can connect. Instead, the Liberal Party in government wants to just run fibre to the node—just to downtown to some central point, a bit like if we ran the submarine cable to the coast and just left it there. I can imagine it flopping around on the beach, like an eel, just sitting there on the coast. And then people could come along later; it would be open slather, you could get a contractor to come in and run some cable for you—connect to the coast.

Government members interjecting—

Mr RIPOLL: Exactly. I would find it pretty funny too, because it would be funny—if it were not true, and if it were not exactly what the Liberal Party is doing today. They are just running the fibre to the coast. If you want to come—

Mr Tudge: Mr Deputy Speaker, I seek to intervene. I would like to ask the member a question.
The DEPUTY SPEAKER (Hon. BC Scott): Is the member for Oxley willing to give way?

Mr RIPOLL: I am sure it is going to be a horrible question, so the answer is no.

A government member: Have a go!

Mr RIPOLL: You'll get your opportunities! In the 21st century, we need to consider some of the most important things that this parliament will do, not for us, not for our kids, not even for our grandkids, but for the very far distant future—things that we can do today; things that will cost a lot today but will deal with the things that we need to do in the future. It is a bit like when I am in Brisbane and, say, driving over the Story Bridge or looking at some of the things that were built back in the 1920s. I can imagine, back in the 1920s—and it is a little bit like with the submarine cable—when they were building the eight-lane Story Bridge, that some people would have said: 'Why would you need eight lanes on this bridge?', when it was still cart-and-buggy days, and there would have been enough room to fit 20 carts across the bridge. But somebody back then had the good foresight to be able to say: 'But in the future, we will need something much bigger than we can dream of today.'

When I think of connection to the internet, I don't think dial-up 50Kbps, I don't think ADSL—I don't even think ADSL2; I think, what is the largest possible connection I can get so that I can do business with the rest of the world? And it is not so much about what I can do; I think, what are the possibilities? What can others do? I remember at a debate during the election campaign—and this demonstrates the quality of the debate on this—a Liberal party candidate who was debating and laughing at the NBN. He was laughing that it was available at his mother's home. His mother was in her 90s, and he said, 'and she can't even use a computer'. And I thought, you have really missed the point, haven't you? It is not about whether your 90-year-old-plus mother can use a computer, or whether she can have an internet connection to the rest of the world in her home. It is about what her doctors can provide in terms of medical assistance, through—what is now more commonplace—alert devices like wristbands that can alert a doctor, through a wi-fi internet connection in the home, if there is a problem with your 90-year-old-plus mother. But if you can't see that, and if you can't see the future today, how can you possibly see the future tomorrow? More than anything, that is what troubles me about where this government is taking us. They are taking us back to the future. They still dream of the white picket fence of the 50s. They still dream of an era when things were much slower and kinder—which is why we have the Prime Minister speaking at the rate that he does. But the reality is that we have bigger things to do. If we are going to be debating bills on things as important as submarine cables and about our connection to the rest of the world and what that can produce for our country and for our economy, then surely the next logical step—just one step further—is to ask: once you get it to the beach— fibre to the coast—are'n't you going to take it somewhere else?

I would say, Mr Deputy Speaker, that in your electorate—and a fine electorate it is, Maranoa—there is a whole range of regional and rural people and people on farms who have got it. They have got it; they understand what it means to be able to deliver real-time weather information. They understand what it means for their kids to be able to access educational information around the world that would otherwise not be available to them. And they understand what it means for their businesses, be it farming, supply chain businesses or others, to be part of a global supply chain, to understand markets better, and to get real-time
information. And it is not only real-time information to their home but also on their mobile devices while they are riding around on their ag bikes tending to their stock. This is much deeper than whether it is a Labor, Liberal, or some other ideological bent about the NBN. It is about the future of the Australian economy. The sad thing is that we have seen the member for Wentworth come into this place with a policy which is discredited—across any reputable area, by any reputable economist, by anybody in engineering terms. They don't even call it NBN-lite anymore, because it is not even on the same planet. It is NBN-to-a-few, at best. He might want to wax lyrical in this place about the numbers of take ups and where it has been rolled out, but it is about planning for the future. When this marine cable was planned in 1940, I am sure they were not waxing too lyrical about the take-up rate in 1945 or 1942, but they saw to the future again.

I want to draw a few connections between things that are going on in this country. Low-income superannuation contribution might have nothing to do with this bill, but there is a link between it and what is happening here: National Party electorates in particular are coping the biggest hits. National Party electorates across this country have been dummied the most by the Liberal Party as to how many people will lose out on Labor's low-income superannuation contribution. And when it comes to NBN and the connection to the rest of the world, who is it that misses out the most? People in seats in Central Queensland and along the Queensland coast—seats like Herbert, Dickson, Dawson, Capricornia and Leichhardt—who are going to miss out on NBN. Those were the areas on the map for the next phase of the NBN rollout, which is going into the ground right now, but they are being ignored. Those on the other side can laugh and carry on. Their idea of the future is what they are having for lunch tomorrow, and not what might be happening to our great grandchildren or our economy in the future.

This is not a debate about the election cycle; it is about an economic cycle; it is about telecommunications; it is about the industries of the future. Those industries are not horse and buggy whips—that might have been what you were considering in the run up to the election, but it is not what we are considering today.

They had more foresight in 1940 when they were laying these marine cables than this government has today, despite the greater opportunity for insight about what the future might bring. It is disappointing that in my electorate where we had maps, agreements and the next phase of rollouts in places like Bellbird Park, Augustine Heights, Ellen Grove, Gailes, Wacol, Carole Park—working-class suburbs with a large component of commercial and business operations. Those business people want this in the ground, because they want to hook in immediately and they do not want to wait for it to be at the node. They want it right at their front door. In a thriving new satellite city like greater Springfield it is not just about being a great place to live but about business and education—it already has dark optic fibre to its universities, TAFEs and schools, because the developers had foresight. They said a decade ago, 'If Telstra won't put in optic fibre, we'll take a punt with our own money and run our own cable.' And so there is dark optic fibre cable directly to the university, to the Springfield centre for commercial purposes and to some of the suburbs, because the developers understood what the future could provide and understood the value proposition of providing that to everyone's front door. That has produced incredible dividends for commerce and business. Let me tell you that the Springfield Chamber of Commerce is an absolute advocate and supporter of this technology, because they use it. People who live in Brookwater were very lucky to be able to access optic fibre to the home very early on. Those who run a home
business in that suburb know the competitive advantage they have. They understand it in the same way as those who were laying the marine cable in 1940. They did not merely run it to the beach and leave it there for somebody else to do something with later. They said: 'We're going to go all the way with this, because we know what this represents. We know the next step we have to take.'

I cannot say enough about the missed opportunity that this government has now delivered to all Australians. The time will come when there is no option but to take up the technology. Everything we do now is based on a higher need, a bigger pipe, greater access. A decade or so ago it might have been okay to be on dial-up. Some here might still remember those funny, clicky sounds when you dialled in. It was also a really frustrating sound. No-one could possibly use that today, because our systems no longer match to that. We need optic fibre to the home in the same way we need the big pipe. Whether it is infrastructure of a more technical nature like this or old-school infrastructure like bridges, roads or ports, you have to build in a bit of spare capacity. You have to look to the future. That is why we on this side will always be supporting the development of NBN to the home—it is in the national interest. While we will be supporting this bill, it does point to the failure of this government.

Mr HUSIC (Chifley) (18:35): I am rising to speak on the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013. It is designed to protect the integrity, operation and security of submarine cables that are critical in providing telecommunications services between our continent and the rest of the globe. There has been a longstanding regime for protecting these cables. In fact, we are one of the few countries in the world that has a regime in place to do just this. These cables have been in place for decades and the regime has been there to support their continued and efficient operation. About three years ago, the ACMA—the Australian Communications and Media Authority—reviewed aspects of the regime, and the review recommended a number of actions that the minister spoke to when he introduced the legislation to the House. Notably, it ensures consistency between our cable protection regime and the United Nations Convention on the Law of the Sea. It provides a structured process for the consideration of matters within the Attorney-General’s portfolio concerning submarine cable installation and permit applications. It also enables significant domestic submarine cables or cables that connect two places within our nation to be brought under the regime and to be protected. It will streamline permit processes that govern installation. Finally, the bill contains some administrative and technical amendments.

The bill takes on greater importance when we consider how businesses are starting to respond to the demand for cable capacity. It is not surprising that, as more and more people and businesses begin to move into the online world, they are effectively transferring the way in which they operate from analog to digital—digitising businesses, creating demand for data, downloading more data and producing more data. The Australian Bureau of Statistics found that in the 12 months to December 2012, in relation to fixed line internet access, download of data had grown at a rate of about 63 per cent. I have often quoted the fact that, on figures that I have seen, the amount of data that is expected to be produced globally will increase by a phenomenal 4,300 per cent. The pressure is well and truly on for us to have the ability to transmit that data. So these cables are critical, particularly in linking us into servers based in other continents, and having this protection is vital.
In his second reading speech the Minister for Communications said that this bill was important in a wider context. He broadened the scope of his contribution and focus to state:

But connectedness is not just about ensuring our submarine cables—or satellite links or even backhaul fibre are of a high standard—it is just as much about ensuring that Australian mums and dads, school kids or small business people can take advantage of the resources and opportunities of the internet.

That then gave him a platform to broaden his discussion and, amazingly, to say that the government could claim that they are delivering a better National Broadband Network. Their definition of 'better' is not to use one of the best platforms available to deliver data, which is fibre-optic cable. Their view of a better national broadband network is to rely on copper as the platform of the future—a technology that has been used for 100 years. I heard the member for Perth in her contribution quoting Telstra executives who, some time ago, had said that they were sweating the last moments of the copper network. This is what the member for Wentworth has championed within his party as the way of the future—copper. It is not NBN-lite, it is NBN-dull, because it will slow down the ability to download data.

More importantly, as has often been reflected when it comes to issues involving the internet and broadband in this country, it is not just about download speeds but about upload capacity. In terms of the tech sector in Australia being able to conduct its work, to innovate, this is the focus for the future. We are being condemned with a fibre-to-the-node proposal that will dull down the ability of Australians to get better speeds on both download and upload. The minister in his speech stated:

… we have committed to prioritising the NBN rollout in areas with the poorest services so that those who currently cannot connect, or have the poorest speeds, get fast broadband sooner.

The Sydney Morning Herald reviewed the minister's plan in an article entitled 'Turnbull's broadband plan too slow, too late'. The minister says that this is the plan that will see those who suffer with the poorest services, those who cannot connect, getting fast broadband sooner.

The minister knows of my long-running advocacy on behalf of residents in areas of the Chifley electorate that have been condemned with poor service. When the coalition was last in government it attempted 20 times to improve broadband and failed. For instance, residents of Woodcroft in my electorate suffered for ages. They were never going to see a fibre connection established from the Blacktown exchange. They wereCondemned with an overloaded copper network. In this residential estate there had been no plan for a better network. These residents had been condemned with poor service.

In his second reading speech on this bill, the minister reflected on the fact that he had been to Blacktown in the Chifley electorate, and he said that this was an area where Telstra HFC and Optus HFC cable existed. Yes, it did. HFC exists in Sydney and Melbourne. It was not widely opened up for household consumers to access broadband. It was primarily used as a method of delivering Foxtel signals, but it was not opened up for people to access internet services.

As a result of advocacy undertaken by me in conjunction with residents of Woodcroft, we were able to work with Telstra to open up areas of the cable broadband network in parts of
Woodcroft as an interim measure while we waited for the NBN. The NBN was able to be rolled out in Woodcroft because it fell within a fibre footprint area, which, as we announced in July 2010, allowed Woodcroft—as a result of advocating on their behalf and pushing for them to get broadband—to be included in the three-year roll-out plan. Residents of Woodcroft were finally able to see a ray of light that would let them access better internet services, because they knew the NBN was rolling out. In the interim we opened up cable broadband in parts of that suburb, which improved service dramatically, as well as an investment in ADSL Top Hat, which saw capacity for ADSL, particularly ADSL2, being offered to residents. What happened?

Again, the minister says he is looking at prioritising the rollout of broadband in areas that have had the poorest connections. When the government announced their updated maps for their NBN rollout plan a few weeks ago, one of the mostly poorly served broadband network areas, Woodcroft, was completely dropped off the revised figures. The member for Wentworth went to the election claiming that every construction contract would be honoured, but he never had the courage or the decency to say that he was going to alter that commitment and break that promise once in government.

The member for Wentworth basically manufactured a deception on people who were expecting the NBN. He changed the terms. He said he would only honour contracts where the build instruction had been issued, thereby robbing residents of Woodcroft and Doonside, who were expecting to be connected to the NBN and had been waiting for years to get better broadband. They had been denied better broadband by the Howard government and now they are being ripped off by the Abbott government. This is from a person who makes a big deal of the fact that he can catch public transport and go out to Blacktown and say, 'There's HFC out here.' He has a great sense of theatre. He does not have a lot of modesty, but there are a lot of theatrical elements to the minister, the member for Wentworth. He talked about the fact that people could access HFC. In actual fact, if you hop online and try to access HFC services in the areas he looked at, you will see that not all the providers provide HFC access to the HFC network. So, clearly, he has not even done his homework. Frankly, I would not expect much from a Minister for Communications who advocates copper as a basis for rolling out better broadband services into the future. You are not really a fair dinkum communications minister if you think that that is the thing that you need to advocate for improving broadband in this country.

The member for Wentworth has ripped off Woodcroft residents. Those residents have complained bitterly about being left off the map. They do not deserve this shabby treatment from the member for Wentworth. He came out during the federal election to try to snare votes. He then made a promise about improving broadband services. He broke his promise after manufacturing a deception on the residents of Western Sydney. Then he slunk back to Bondi, which, funnily enough, has way better connection then the residents of Western Sydney are entitled to enjoy.

**Mr Tudge:** Mr Deputy Speaker, I seek to intervene.

**The DEPUTY SPEAKER (Mr Broadbent):** Is the member for Chifley willing to give way?
Mr HUSIC: No. I am not interested in playing the game with the member for Aston, who probably has better broadband services for his constituents while we are fighting to get improved services for residents in my area.

Mr Tudge interjecting—

Mr HUSIC: Why don't you go and speak to the member for Macquarie, who was present when we were turning on broadband services in our part of Western Sydney. He was quite happy to see that. Maybe even go and see the member for Herbert, who was getting NBN services turned on in his electorate as well.

Woodcroft residents do not deserve this treatment. When I was fighting for better connections for Woodcroft residents, Malcolm Turnbull, speaking on the problems that were being experienced by residents I represent, said:

… the Government now cannot get its wholly-owned taxpayer-funded monopoly to prioritize the neediest areas …

This was referring to Woodcroft in a speech that he made to a Young Liberals conference. He said:

That would be a travesty of social justice from a party that so loudly claims to believe in it.

So it is good enough for him in opposition to hold up Woodcroft and say that it is a travesty of social justice for them to not get broadband. It is good enough for him to come in here and pretend that he has some sort of concern when he quotes his visits to Blacktown in his speech on this bill. Yet the minute he gets into government he makes a decision that rips off those residents, and he does not have the guts or the decency to ensure that those residents get better service.

Instead, he is a man with a plan. His plan is to just conduct a review. It is a review that he says is very objective but is being conducted by a mate with whom he owns a yacht. I am sure that this review is going to be very objective! Is a mate who he has had for some time going to have the guts to stand up to Malcolm Turnbull and tell him where he has gone wrong with his broadband plan which, as I say, has already been slammed for being too slow and too late and will result in 30 per cent less revenue because it will be providing slower speeds? Yet we are supposed to be expecting to see some sort of fair dinkum outcome from this strategic review that is already late. No doubt it will be crunched through the minister's office. I would be interested to see how the review that goes into the minister's office looks after it leaves the office.

The fact of the matter is that they have to reach—off the top of my head—nine million premises by June 2016. I read an estimate that that means they would have to pass 12,000 homes or establish 12,000 connections a day. It will be interesting to see if the minister, the member for Wentworth, makes that mark. But he should have the decency to stand up and honour the commitments and the concerns that he put when he visited Blacktown and spoke about Woodcroft residents. They do not deserve to be duded.

Debate adjourned.
Wednesday, 4 December 2013

HOUSE OF REPRESENTATIVES

1647

COMMITTEES

Public Accounts and Audit Committee

Membership

Mr TUDGE (Aston—Parliamentary Secretary to the Prime Minister) (18:51): by leave—I move:

That Mr Watts be appointed a member of the Joint Committee of Public Accounts and Audit.

Question agreed to.

Selection Committee

Report

The DEPUTY SPEAKER (Mr Broadbent) (18:52): On behalf of the Speaker, I present report No. 1 of the Selection Committee relating to the consideration of committee and delegation business, private members' business and referral of bills to committees on Monday, 9 December 2013. The report will be printed in today's Hansard and the items accorded priority for debate will be published in the Notice Paper for the next sitting.

The report read as follows—

Report relating to the consideration of committee and delegation business and of private Members' business
1. The committee met in private session on Wednesday 4 December 2013.
2. The committee determined the order of precedence and times to be allotted for consideration of committee and delegation business and private Members' business on Monday, 9 December 2013, as follows:

Items for House of Representatives Chamber (10.00 am to 12 noon)

COMMITTEE AND DELEGATION BUSINESS

Presentation and statements

1 Parliamentary Delegation:


The Committee determined that statements on the report may be made—all statements to conclude by 10.05 am.

Speech time limits—

Ms Marino—5 minutes.

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

PRIVATE MEMBERS' BUSINESS

Notices

1 MR ALBANESE: To present a Bill for an Act to establish the High Speed Rail Planning Authority, and for related purposes. (High Speed Rail Planning Authority Bill 2013) (Notice given 3 December 2013.)

Time allotted—10 minutes.

Speech time limits—

Mr Albanese—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]
Presenter may speak to the second reading for a period not exceeding 10 minutes—pursuant to standing order 41.

2 MR C. A. LAUNDY: To move:

That this House notes that:

(1) the government is delivering on its promise to build a stronger Australia with its $1.5 billion commitment to the WestConnex project in Sydney;
(2) WestConnex is part of a long term vision for Sydney’s future and is needed to cater for the additional 1.3 million people calling it home over the next 20 years;
(3) the 33 kilometre motorway linking Sydney’s west and south-west with the CBD, Sydney Airport and Port Botany, will return some $20 billion to the NSW economy; and
(4) the project will create thousands of jobs including new apprenticeships.

Time allotted—60 minutes.

Speech time limits—
Mr C. A. Laundy—10 minutes.
Next 3 Members speaking—10 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 10 + 4 x 5 mins]

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

3 MS RISHWORTH: To move:

That this House:

(1) notes the importance of having a well-trained medical workforce including doctors, nurses and allied health professionals for the sustainability of our health system;
(2) acknowledges the work of Health Workforce Australia in increasing the percentage of clinical training days for students, with the most recently released figures demonstrating a 50 per cent increase in 2012 compared to 2010;
(3) recognises that this increase in clinical training has been in part the result of the support provided to universities and health clinics through the Clinical Training Funding program;
(4) notes with concern the evidence provided in Senate Estimates on the 20 November 2013 by the Assistant Minister for Health that unallocated funds to support clinical training are currently frozen; and
(5) calls on the government to immediately make available the money within Health Workforce Australia that assists universities and health services to make clinical placements available so that students can have improved access to placements in the upcoming academic year. (Notice given 3 December 2013.)

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

Speech time limits—
Ms Rishworth—10 minutes.
Next Member speaking—10 minutes.
Other Members—5 minutes each.

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

The Committee determined that consideration of this should continue on a future day.
Items for Federation Chamber (11 am to 1.30 pm)

PRIVATE MEMBERS’ BUSINESS

Notices

1 MR HUSIC: To move:

That this House:

(1) notes with alarm the burden placed on the bushfire affected residents of the Blue Mountains and Central Coast via the combined mismanagement of recovery processes by the Australian and NSW governments;

(2) acknowledges that while emergency personnel and volunteers acted swiftly and bravely to minimise the impact of the horrific October fires, the Australian and NSW governments have made decisions that have hurt families and businesses in the aftermath of the fires, namely:

(a) failing to extend full disaster relief support payments;

(b) presiding over a poorly executed response to the clean-up process; and

(c) breaking a promise by failing to provide consequential concessional loans to small businesses struggling to recover after the fires; and

(3) calls on both the Australian and NSW governments to urgently act to remedy this situation and assist homes and businesses to fully recover in a quicker timeframe. (Notice given 3 December 2013.)

Time allotted—40 minutes.

Mr Husic—10 minutes.

Next Member speaking—10 minutes.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 4 x 5 mins]

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

Orders of the Day

1 ECONOMIC GROWTH PLAN FOR TASMANIA: Resumption of debate (from 2 December 2013) That this House notes:

(1) with concern that Tasmania has the lowest gross state product per capita in Australia, the nation’s highest unemployment rate, the lowest proportion of adults in the nation who have attained a year 12 qualification, one of the lowest retention rates to year 12, the lowest population growth, and the highest proportion of Australians without superannuation coverage;

(2) that Tasmania has enormous potential with productive land, a skilled and willing work force and people with a strong commitment to improve the state's economy by endeavour and hard work; and

(3) that the Federal Coalition's Economic Growth Plan for Tasmania, promised in the election campaign and reiterated in Her Excellency the Governor-General’s speech opening the 44th Parliament, will provide the architecture to help turn Tasmania's economy around and encourage long term, sustainable employment.

Time allotted—40 minutes.

All Members—10 minutes each.

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

The Committee determined that consideration of this should continue on a future day.
2 MS CLAYDON: To move:

That this House:

(1) notes that:

(a) eating disorders and poor body image present a significant problem for both males and females in Australia; and

(b) the social messages given to people by their family, friends, teachers, medical professionals and the media can have a significant negative or positive impact on a person’s body image; and

(2) calls on:

(a) all Members of Parliament to take a leading role in the promotion of healthy living, exercise and positive body image in Australia; and

(b) the government to commit to continued support for the National Body Image awareness program.

(Notice given 3 December 2013.)

Time allotted—40 minutes.

Ms Claydon—5 minutes.

Other Members—5 minutes each.

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

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

Orders of the Day—continued

2 RURAL CLINICAL SCHOOLS: Resumption of debate (from 2 December 2013—Ms King, in continuation) That this House:

(1) celebrates the success of Rural Clinical Schools (RCS) around Australia, commenced in 1999 by the then Minister for Health, the Hon. Dr Michael Wooldridge MP, and continued by his successor, the Hon. Tony Abbott MP;

(2) notes that:

(a) RCS were designed to overcome the maldistribution of all doctors including general practitioners across Australia, which left country regions short of general practitioners and other specialty doctors;

(b) students undertaking training in rural locations have academic results that are equal to or better than their metropolitan counterparts;

(c) published data from public universities show high rates of RCS graduates working in, or intending to work in rural areas; and

(d) the information gathered through an independent project tracking all Australian and New Zealand medical students—Medical Schools Outcomes Database—demonstrates that long term placements in a rural setting through RCS have a significant impact on the vocational choice and intention to practice in a rural or remote setting as well as future career specialty focus; and

(3) calls on the government to:

(a) continue its support for these excellent initiatives; and

(b) examine opportunities to increase intern and postgraduate training places in rural locations to enhance the future of specialty medical service delivery with a focus on general practitioners in rural and regional Australia.

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

All Members—5 minutes. each.

[Minimum number of proposed Members speaking = 6 x 5 mins]
The Committee determined that consideration of this should continue on a future day.

3. Referral of bills

The Committee considered the list of bills introduced into the House since 12 November 2013 and decided not to refer any of those bills to committees for further inquiry.

**BILLS**

**Customs Amendment (Anti-Dumping Commission Transfer) Bill 2013**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

**Mr ZAPPIA (Makin) (18:52):** I rise to speak on the Customs Amendment (Anti-Dumping Commission Transfer) Bill 2013. The purpose of this bill is to amend the Customs Act 1901 to separate the Anti-Dumping Commission from the Australian Customs and Border Protection Service and transfer it to the Department of Industry. The commission would continue to exercise the relevant antidumping powers and functions contained in parts XVB and XVC of the Customs Act 1901. This would include the receipt and screening of applications for antidumping measures and the conduct of investigations and inquiries relating to those applications. I note that the bill would also transfer to the commissioner any antidumping powers and functions currently retained by the Chief Executive Officer of the Australian Customs and Border Protection Service under the Customs ACT 1901.

We on this side of the House do not oppose this bill, but we note that it builds on reforms introduced by Labor in our February 2013 Industry and Innovation Statement. The initiatives in that package are still at risk of cuts. What is the government's position on those initiatives? The government needs to speak up soon and decisively to support Australian industry.

Industries, companies and workers are injured when goods from overseas are dumped into the Australian market. That is why it is important that we have a fair and effective antidumping regime. In government, Labor strengthened Australia's antidumping and countervailing system to provide stronger protection from unfair competition for Australian firms. We implemented the most significant reforms to Australia's antidumping regime in more than a decade. In 2011, we announced comprehensive, WTO-consistent improvements to Australia's antidumping system, as detailed in the policy statement *Streamlining Australia's anti-dumping system*. We also established the International Trade Remedies Forum to provide advice on antidumping matters, with members from industry, unions and government.

In December 2012, we announced a package of reforms to Australia's antidumping system to deliver stronger protection for Australian industry against unfair competition from overseas. We recognised that, as global economic circumstances change and Australia is facing intense, and in some cases unfair, international competition from dumped goods, more needs to be done to ensure that Australia continues to have an effective antidumping system. Our reforms delivered stronger protection for Australian industry against unfair competition from overseas. These reforms were enshrined in Labor's Industry and Innovation Statement in February 2013, which included $27.7 million in further reforms to Australia's antidumping system. These reforms were, firstly, establishing a new antidumping commission to investigate dumping complaints; secondly, making it easier for SMEs to access and use the system; thirdly, investing $24.4 million to increase the investigative capability of the Customs
and Border Protection Service, almost doubling the number of investigators; and, fourthly, strengthening remedies against overseas producers that injure Australian businesses by dumping and that attempt to circumvent Australia's antidumping rules.

The central objective of Labor's Industry and Innovation Statement was to build an economy which prospers in the 21st century and to create and support jobs. Our reforms to Australia's antidumping system were designed to support local businesses by ensuring a level playing field. In particular, the establishment of the Anti-Dumping Commission will deliver targeted resources to investigate dumping complaints and apply remedies where dumping is damaging local producers.

In government, Labor committed $1 billion in measures to support and create Australian jobs through the Industry and Innovation Statement. This included a series of measures to help Australian businesses gain access to major domestic projects, through changes to Australian industry participation plans. Labor's reform of Australian industry participation plans meant that domestic projects worth $500 million or more must demonstrate how they will provide more opportunities to Australian business. We set up a new Australian Industry Participation Authority to oversee these changes. We invested more than $500 million to establish industry innovation partnerships across the country including two in food and manufacturing, which are already up and running.

We provided $350 million as part of the Venture Australia initiative for a new round of the Industry Innovation Fund to attract private investment in the high-risk venture capital market. We continued to invest in the Buy Australian at Home and Abroad initiative, which included the appointment of supplier advocates, and the Supplier Access to Major Projects program and we continued to administer Australian industry participation plans requirements for government procurements and grants. We established the Manufacturing Leaders Group, a high-profile group of industry leaders, to provide advice to government across priority areas. We provided the Manufacturing Leaders Group with $5.6 million to 2016-17 to progress projects that will help improve productivity growth and ensure that Australian manufacturing is able to take advantage of opportunities in Asia and other markets. We invested $9.9 million in clinical trial reform to improve the conduct of clinical trials in Australia and support the pharmaceutical and medical research sectors.

All of these measures—Labor's $1 billion jobs package—are at risk of cuts by the coalition. While we do not oppose the Customs Amendment (Anti-Dumping) Bill 2013, we note that it does not provide the surety that Australian industry needs. The Abbott government is cutting the clean technology programs; it will not commit to programs under the jobs package; and it is turning its back on the automotive industry. It is time the coalition stopped turning its back on Australian industry and manufacturing and started helping businesses fund improvements and create jobs.

Dumping of overseas products onto the Australian market is becoming a matter of increasing concern for Australian manufacturers, food processors and food producers. In fact, it is putting many businesses under financial pressure, closing others and, with that, costing Australian jobs. I make two observations about why dumping is becoming a major issue of concern for Australia. Firstly, global multinationals deliberately sell products at below cost so that they can force competitors out of the market. When they have control of the global markets, they can then set their own prices. This is how large corporations operate and how
they manipulate and monopolise world markets. There are many who will say that that is the way of the free market, that is the way it has always been and that consumers benefit as a result.

My view is that consumer gains are only short term and, ultimately, consumers pay more when the competition is eliminated. I note that many other countries have had antidumping legislation in place for some time. I also note from some statistics that many other countries use that legislation and whatever powers are available to them to counter antidumping measures on a much more regular basis than Australia does. Other countries use tariffs, import restrictions, quotas and a host of other trade barriers to protect their industries, whereas Australia complies with WTO principles and encourages free and fair trade. So Australia is considered an easy target. I hope that the free trade agreements that the government is currently negotiating with Japan, China, Korea, Indonesia and India, as well as the Trans-Pacific Partnership agreement, do not further disadvantage Australia.

The second observation I make is that the global financial crisis has caused a glut of products in world markets. These products, which cannot be sold, are filling up warehouses across the world and, in turn, are tying up funds and causing liquidity problems for those who own those stocks. The Australian economy, by contrast, is doing comparatively well. By international standards, I think it would be fair to say, we still have a very strong and robust economy—thanks to the Labor government's management of the Australian economy over those difficult years. So Australia is indeed a logical place to try to dump products, and that is exactly what has been occurring.

The Australian dollar is high, the economy is strong and so is consumption within Australia. Australia becomes an obvious place for those who cannot get rid of their product or who have a surplus of it to dump it. In fact, there have been reports in recent times of wind turbine towers being dumped in Australia. There have also been reports of a whole range of paper products, copier paper in particular, tomatoes, pork, biodiesel and canned fruit—to name just some of the products that are making their way into Australia as a result of the dumping that is occurring right here and now.

One example of dumping that I wish to point to is occurring right now in my own electorate of Makin. Tindo Solar, a new manufacturer of new technology solar panels, is competing against solar panels that are being imported from China. The fact is that Tindo panels are manufactured at a cost that is competitive with the true manufacturing costs of those same panels in China. But, because the Chinese have a glut of solar panels—I understand that there are warehouses full of them—they are dumping them wherever they can at below-cost prices, making Tindo's operations much more difficult. Tindo is a new company, with a new plant. It is capable of competing at true cost with any other manufacturer in the world but it is being undercut because of the dumping that is taking place. I brought this matter to the attention of the House on a previous occasion, and I do so again because I believe it relates very specifically and directly to the legislation that we are dealing with.

The last matter I raise is that of the Commission for Law Enforcement Integrity. It currently has jurisdiction with respect to matters that come under the Customs and Border Protection Service. I note that, as a result of the legislation transferring functions to the department of industry and trade, that particular jurisdiction of the law enforcement...
commissioner will be lost, because the commissioner does not have jurisdiction over the department of industry and trade. Given that we are dealing with a matter that can very easily involve substantial amounts of money, I think it is very easy to see how improper behaviour might arise as a result of a process that deals with substantial values.

Mr Baldwin: Do you understand what you are talking about?

Mr ZAPPIA: Yes, I do. I bring this matter to the minister's attention because this is one of the changes in the legislation which the commissioner for law enforcement integrity currently has some interest in but will no longer have when the responsibility is transferred to the department of industry and trade. It is also a matter that the Joint Committee on the Australian Commission for Law Enforcement Integrity may wish to have a look at.

I reiterate what I said earlier: we do not oppose this legislation and we certainly support any measures that ensure that there is a proper counter-system to the dumping of products in this country. We also support any measures that ensure that we do not lose any more jobs here in Australia.

Mr CRAIG KELLY (Hughes) (19:06): I rise to speak on the Customs Amendment (Anti-Dumping Commission Transfer) Bill 2013. This bill is only the first step in the government's plan to strengthen Australia's antidumping regime. Australia's current regime for combating injurious dumping and subsidisation is transparent and complies with our international obligations under World Trade Organization agreements. There is clearly room for an improvement in the efficiency and effectiveness of the current system, and that is exactly what the coalition plans to do.

This bill contains changes to the Customs Act and other legislation needed to separate the recently formed Anti-Dumping Commission from the Australian Customs and Border Protection Service. This will allow the commission to transfer to the Department of Industry, where it is clearly better placed. It will free up the Australian Customs and Border Protection Service to enable them to concentrate on other matters of importance to this government. This will allow those that are considering requests for antidumping action to benefit from the considerable experience and knowledge held across the Industry portfolio and it will ensure that the Minister for Industry has the power to make decisions on antidumping matters.

But this is not about protectionism; this is about maintaining a level playing field for all industries and all businesses in Australia. Antidumping is not about stopping cheap imports. There are a couple of ways that goods can be defined as being dumped. The first is when they are sold below their cost of production, and this is often predatory dumping. The other is simply international, geographic price discrimination. That is when an exported product is sold at a lower price in the export market than it is in the home market. This is often referred to as selling at less than normal value.

But there are sometimes legitimate reasons why goods may be dearer or cheaper in one market than they are in the export market. I would like to give as an example Vegemite. Some people may say is actually being dumped overseas. But this is not true. I remember during the last election the then Prime Minister Rudd standing with a jar of Vegemite and claiming that, unless people voted for him, it would increase in price by 50c—one of his spurious claims that the coalition was going to increase the GST. Of course, we know that was absolute, complete nonsense. This was the same Prime Minister who had actually raised the issue of
high grocery prices in Australia back in 2007 and gave a false hope that he would do something about it—the full extent of that was nothing more than Grocery Watch.

But I will get back to Vegemite and how it may appear that it is being dumped, but it is not. Here, today, our two major supermarkets sell a 150-gram jar of Vegemite for $3.25. In New Zealand, that exact same 150-gram jar of Australian-made Vegemite can be bought for the New Zealand dollar price of $3.20—less than the Australian price. When you do the calculations so that you are comparing apples with apples—the Australian currency is much stronger than the New Zealand currency and New Zealand has a 15 per cent GST on Vegemite whereas in Australia there is no GST—it works out that consumers in Australia are paying a 32 per cent higher price than consumers in New Zealand. The same applies for Vegemite sold in the UK. Here in Australia a 220-gram jar of Vegemite sells for $3.84 in our major supermarkets. In the UK the major supermarkets—Tesco, Asda, Sainsbury and a host of others—sell that same Australian-made 220-gram jar of Vegemite for 1.87 pounds. Again, making an apples for apples comparison, 1.87 pounds converts to $3.34 Australian, so here in Australia that jar of Vegemite is actually being sold for 50c more than it is in the UK.

Many would argue that this is Vegemite being dumped. However, I would disagree with that. It is clear that there are much higher costs for food producers in Australia such as Kraft, which produces Vegemite. This is detailed in a recent KPMG report The Australian Food and Grocery Council State of the Industry 2013: Essential Information Facts and Figures. That report notes that one of the major costs for Australian food producers in doing business in Australia is what they define as 'trade spend', which is the payment of rebates, promotional allowances, special discounts and special payment terms to our two major supermarkets. KPMG noted that, in the last three years, trade spend had increased from 19 per cent to 24 per cent of total sales. That is a cost that is borne by Kraft, which increases their cost of doing business and selling their goods here in Australia, and this is reflected in our higher retail price. I would say that the product is not being dumped in the UK. It would appear they have much more competition in the UK and in New Zealand than we do here in our Australian retail sector, and that trade spend that is charged to them when they sell that good in Australia is not charged when they export those goods through the major supermarkets in New Zealand and the UK.

If we are going to stand here and condemn geographic price discrimination on an international level, we will also have to do the same thing about geographic price discrimination within Australia. The reason for antidumping legislation is to prevent harm to a domestic industry where a larger competitor, often an overseas competitor, sells goods at different prices in different markets, and that is exactly what we have here. That is what many of our Australian retailers actually face when they are competing here. They may find themselves in a market where they are competing against a company that is charging different prices in different markets simply because of the lack of competition.

This was detailed in a study by the Southern Sydney Retailers Association back in 2008, where they surveyed the price of a basket of fruit and vegetables in two adjoining stores of one of our major supermarkets. They found that, for a basket of 28 everyday fruit and vegetables, the major supermarket was charging between 51 per cent and 402 per cent higher prices than they were charging for the same items at their store four kilometres away. After that sustained geographic price discrimination attack, what eventuated was that the small
retailer next to that major supermarket went out of business and we saw the large supermarket then jack up their prices. So, if we are going to condemn this practice internationally, we also must condemn it locally.

Ultimately, although our antidumping regime is important to give Australian industries a level playing field and enable them to compete, as we heard the member for Makin refer to, it is not going to help our industries if they are not in themselves internationally competitive. That is why we need to make sure that, whatever we are doing in this place, whatever legislation we are passing, we are doing everything we possibly can to make our Australian industries internationally competitive. Therefore, I thought it was worth noting the comments of John Hannagan, Chairman of Rusal, one of Australia’s largest aluminium manufacturers. Of course, the aluminium sector competes in an international marketplace, and we must be viable and internationally competitive for that to continue. He was concerned that the effect of the carbon tax was that it was making Australian industry uncompetitive. He wrote an article in the Financial Review only last week, and I quote directly from it. He said:

We advised the government at the time that we would have great difficulty in establishing a sound business case for investing in major capital projects designed to improve the efficiency and emissions levels of the refinery. Our position remains unchanged.

He continued:

We will not invest another cent in major capital improvements until Labor agrees to the repeal of the carbon tax—bipartisan support is essential to enable the large, long-term investments required to maintain the international competitiveness of our industry.

An antidumping regime, no matter how strong it is, will not protect our aluminium industry from competition. They must be able to compete internationally. This is why we must be very clear that we cannot continue to burden our industries with these taxes, placing them at a competitive disadvantage where they act like a reverse tariff.

As for the stupidity of putting Australian industry at a competitive disadvantage with the carbon tax, we may hear some from the opposition say, ‘Of course, this is to reduce emissions of carbon dioxide.’ But, perversely, it has exactly the opposite effect, because it will not mean that less aluminium is produced in the world; it will simply mean that production shifts to China. Now, in Australia the production of a tonne of aluminium emits an average of 0.85 tonnes of CO2, while in China the average emission of CO2 from the production of a tonne of aluminium is 1.35 tonnes. So all you are doing is knocking off Australian industry and having that production move overseas, where the emission of CO2 is greater. So the carbon tax not only places our industry at a competitive disadvantage but actually does not do the very thing it is trying to do, reduce emissions of CO2—it increases them. This is the danger and stupidity of the carbon tax legislation.

When it comes to dumping, we have seen some recent examples of investigations. SPC Ardmona recently put in a complaint, and an investigation found that Italian tinned tomatoes were being dumped in Australia, because they were being sold for less than they would fetch in Italy. They were causing unfair harm to the industry, and new tariffs were recommended. The problem with the current regime is the length of time it took to make that decision, because much of the damage to the industry would have already occurred. We need to make sure we are acting efficiently and quickly, especially when it comes to our rural and food-producing industries.
That brings me to some of the great concerns that we have about making sure our small business producers, our small family farmers, can compete internationally, because we recently had the National Secretary of the Australian Workers Union say:

… the day of ma and pa farming in Australia needs to end.

This is dangerous and misguided. He continued, saying the sector needed to have 'large-scale conglomerates that can diversify'. Now, I would suggest that the secretary of the Australian Workers Union consult his history book, because we have seen this idea before—that you do not need small family farms; you need large industrial conglomerates: that is what happened in the Bolshevik revolution, where we saw the Soviet collectivisation of agriculture. This is the same policy that is being recommended by the secretary of the Australian Workers Union. This is very misguided. This is dangerous.

We need to make sure that our food-producing sector and our family farms are viable and that they can continue and compete on a level playing field. That is what this legislation is meant to do. It is a small step, it is a small start, and I commend this legislation to the House.

Mr STEPHEN JONES (Throsby) (19:21): I welcome the opportunity to speak on the legislation before the House. It concerns dumping, but it also fits within the context of Australia as a free-trading nation, and I would like to make some observations about this before dealing with the details of the bill. Australia has been a leading advocate of free trade for more than two decades. While we have seen enormous benefits, such as greater market access for our exports and cheaper imports of everything from TVs, PCs and the shoes and clothes that we wear, it has not been without cost—massive restructuring of the economy and even greater exposure to the vicissitudes of international markets.

Governments simply must win support for open trade. The best way to do that is to show that there are benefits for Australians—as consumers, as businesses and as workers. It is not always easy, particularly when governments make populist decisions and give a nod to economic xenophobia. It is one thing to argue that the roll-back of protection has led to more efficient local industry, to cheaper cars and to electrical goods, but this is cold comfort to those who have lost their job, had to close their business or to send offshore some or all of their production.

Put simply, if we cannot demonstrate that open trade exists within a set of rules, that these rules are fair and that everyone must stick to them, then we lose the argument. Moreover, we must be able to show that when someone breaks the rules there are consequences. The rules are contained in the General Agreement on Tariffs and Trade and in other bilateral agreements. They allow signatories to impose corrective measures to respond to dumping of goods and certain subsidies known as countervailing measures. The World Trade Organisation oversees the rules. In Australia the rules are also overseen by the courts.

Some argue that the imposition of a tariff in response to dumping or for any other purpose is a retreat to protectionism that distorts the efficient allocation of resources in Australia and props up inefficient industries. Others go further and argue that if a company or a country is willing to subsidise Australian consumers by selling us goods which are heavily subsidised or at below cost, we should grab it with both hands. I argue that this is short-sighted. Importing goods at below cost may provide some short-term windfalls for some consumers but at the price of long-term headwinds for open trade—the factory worker who loses his job, the farmer who loses access to a local market who will turn their sights on a bigger target, to the
whole system of open trade itself. A point was made by the Productivity Commission, albeit half-heartedly, when it accepted in its 2009 review of Australia's antidumping laws that our antidumping framework was about 'system preservation'.

While these political economy arguments stack up, there are commercial realities as well. Many ask—with some force, I say—about the impact on our domestic industry which is struggling to deal with the high Australian dollar while recovering from the GFC and dumped goods can be the straw that breaks the camel's back.

In my own electorate, steel is a good example. In Australia, steelmakers have had to make a series of very tough decisions—to restructure, to reduce costs and to focus on the domestic steel market. In the case of BlueScope it has meant large-scale redundancies and big reductions in spending, including the closure of one of its two blast furnaces. These changes have been designed to allow it to focus on the domestic market, which is worth around 2.5 million tonnes per annum. To put that into perspective, China now produces about the same amount of steel within a month. Competing is not easy in these circumstances. It is harder still when companies, including Chinese companies, sell goods at or below cost with the objective of injuring a domestic producer.

In government, Labor strengthened Australia's antidumping and countervailing system to provide stronger protection for Australian firms from unfair competition. We implemented the most significant reforms to Australia's antidumping regime in more than a decade. The bill before the House is a logical extension of those changes.

In 2011, we announced comprehensive, WTO-consistent improvements to Australia's antidumping system, as detailed in the Streamlining Australia's Antidumping System policy statement. We also established the International Trade Remedies Forum, ITRF, to provide advice on antidumping matters, with members from industry, unions and government.

In December 2012, we announced a package of reforms to Australia's antidumping system to deliver stronger protection for Australian industry against unfair competition from overseas. We recognised that as global economic circumstances change and Australia is facing intense and in some cases unfair or illegal competition from dumped goods, more needs to be done to ensure that Australia continues to have an effective antidumping system. We were not acting alone. Other jurisdictions around the world, through legislative and administrative action, imposed new standards as well. Our reforms deliver stronger protection for Australian industry against unfair competition from overseas.

These reforms were enshrined in Labor's Industry and Innovation Statement in February 2013 and in a $27.7 million package of further reforms to Australia's antidumping system including establishing a new Anti-Dumping Commissioner to investigate dumping complaints; putting in resources to make it easier for small- and medium-sized enterprises to access and use the system; and, we invested more than $24.4 million to increase the Customs and Border Protection Service's investigative capability to ensure that they had the staff to do the investigations and to put in place the administrative arrangements to follow up complaints.

Strengthening remedies against overseas producers that injure Australian businesses by dumping and that attempt to circumvent Australia's antidumping rules were at the heart of these reforms. We also commissioned the former Premier of Victoria, Mr John Brumby, to conduct a review about the administrative arrangements, about whether it would be better for
the new body to continue to exist with the Customs and Border Protection Service or move to the industry department. In his review of that report, he found that most submitters were neutral on the point. However, he left it open for further changes and administrative arrangements to be put in place if it suited the government of the day. So this legislation follows on from the track record of Labor in government taking this issue seriously.

The measures are welcomed by Australian manufacturers, including the largest manufacturer in the Illawarra, BlueScope in Port Kembla, and industry organisations including the Australian Industry Group and the Australian Steel Institute.

Manufacturing still employs over one million Australians and the agricultural sector is also a beneficiary of these changes with many thousands of Australians as well. So it is an important source of employment and business. Our commitment to open trade means we are able to buy more with our pay packet than we could 10 years ago, but to ensure that we continue to maintain faith in our system we need to be able to show that Australia is not a soft touch for those who break the rules. We need to have the administrative arrangements in place to ensure that rules exist they are enforced. That is why the legislation before the House is a logical extension of the reforms put in place by the former Labor government, enjoying support from all sides of the House.

I commend the bill to the House.

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. BC Scott) (19:29): Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

National Broadband Network

Ms RISHWORTH (Kingston) (19:30): I rise tonight to speak on a matter of great importance to my electorate and that is the disgraceful behaviour of the Abbott government in pulling the plug on the NBN rollout. In my electorate, many places were starting to get connected.

Dr Southcott interjecting—

Ms RISHWORTH: The member for Boothby might want to know that his office was not taking the phone calls of many residents who were trying to contact him to tell him about their distress. The response they got from his office was not supportive whatsoever. But I will stick up for all the residents in my electorate who need the National Broadband Network connected to their premises. We see the Minister for Communications come in here every day with hubris and arrogance. But what he is not doing is understanding the needs of local communities in my electorate.

We know that there were 18 or 19—the count is a little hazy—failed coalition broadband plans during the time they were last in government. Since that time, I have had over 700 people contact my office demanding they get the NBN to their premises. I have also started a petition on my website—and I have hundreds of responses from people in my electorate—urging the Abbott government to continue rolling it out to premises. Indeed, I have written to
the Minister for Communications about this important matter. Unfortunately, he has once again displayed arrogance and hubris with his response, in which he says:

I find it remarkable that a member of parliament from South Australia claiming to represent the local interests of her community would demand that I continue Labor's fibre to the property national broadband network.

I do demand that because the residents in my electorate want it.

It is not only the people who sign my petition and the people who contact my office—the hundreds and hundreds. The demand for fibre to the premises is regularly evidenced in local papers. I have an article here from the *Advertiser* dated 16 November this year with the heading, 'Farmers market reaps NBN rewards' and another one from the *Southern Times Messenger* of 6 November titled 'Web road block'. These articles talk about people who are very upset that their small business or their home will not get fibre to the premises.

I seek leave to table these articles since the Minister for Communications does not seem to understand the needs of South Australians.

Leave not granted.

Ms RISHWORTH: The Minister for Communications seems to think I am not representing my electorate very well. I would love him to come out to talk to the many hundreds of people in my electorate who want fibre to the premises. With the Liberal Party pulling the plug on the NBN, the suburbs of Aldinga Beach, Sellicks Beach, Moana, Seaford Rise, Maslin Beach, Old Noarlunga, Noarlunga, Noarlunga Downs, Seaford, Seaford Meadows and Port Noarlunga South have many residents who will not get the NBN.

Dr Southcott: Did you even connect one?

Ms RISHWORTH: Excuse me, Member for Boothby, but we did connect many people and you are obviously in some sort of imaginary place.

Dr Southcott interjecting—

Ms RISHWORTH: Why then will you not let me table these important articles which talk about the benefits of fibre to the premises? Are you scared of it? Is that the problem?

My residents want me to stand up for the NBN; they want me to stand up to ensure that it goes to the premises. The reason we need fibre to the premises is that the copper in the ground in the southern suburbs of Adelaide is inadequate. There are pair gains and there are RIM issues. Many premises do not have copper in the ground. The Liberal Party's plan to connect NBN to the node will mean that all those on poor copper connections will still not be able to get any faster broadband. They will not be able to get anything better. There is no plan from the Liberal Party—I have heard nothing from them—to say how they are going to deal with the issue of problems with the copper network. Are they going to re-lay more copper? If they re-lay more copper, surely they should just connect people to fibre? Surely the Liberal Party and the coalition government would just connect them to fibre?

This is a sore point for the coalition. They are not listening to the people of Australia and they are not listening to the people of the southern suburbs of Adelaide who want a genuine long-term fix for their internet problems. Unfortunately, I fear that we are going to see broadband plan No. 21 or 22 from the Liberal Party fail. I call on them to— *(Time expired)*
Crittenden, Ms Betty

Mr TONY SMITH (Casey) (19:35): It is my pleasure to pay tribute to a great community builder from the town of Mount Evelyn in the electorate of Casey. I speak of Betty Crittenden, someone who has served that Mount Evelyn community, and the Mount Evelyn RSL in particular, with distinction over 28 years. I was pleased and honoured to be able to share in a recognition of her service just a couple of weekends back, on Saturday 16 November. The Mount Evelyn RSL hosted a presentation of an award for her to recognise all she has done for the RSL over 28 years.

Betty Crittenden has been a feature of the Mount Evelyn community every Anzac Day and Remembrance Day, selling countless badges and poppies. She has also, over the years, been very active not only in general fundraising for the welfare of members but also in helping the club move from a shared facility to its own rooms some years ago. That meant raising a lot of money to start the move and to pay off the loan. Her drive, determination and effervescence were a true inspiration.

Betty's two husbands, who have passed away, were both active members of the Mount Evelyn RSL. She served with so much effort and care for the welfare of the members and the community. She herself would say that that RSL building is her second home, and she treated it as her home. It was great that she was able to be there to be presented with the official award in front of quite a large crowd and officials from the RSL. I want to pay tribute to Roger Boness, the President of the Mount Evelyn RSL, and Anthony McAleer for organising the event. It was great to see Betty there with her children, her grandchildren and her great-grandchildren on the Saturday.

People like Betty Crittenden are critical to the development of community. For the Mount Evelyn community, Betty has done so much. It is not just the work she has done; it is not just the dollars she has raised. People like Betty Crittenden set an example for others. They build the cycle of community. Her footsteps will be followed by others who have seen the great work that she has done. She has strengthened the fabric of the Mount Evelyn community in so many ways. I pay tribute to her for everything that she has done in the last 28 years and I pay tribute to the Mount Evelyn RSL for everything that they do in the community.

Australian Capital Territory Australian of the Year Awards

Ms BRODTMANN (Canberra) (19:39): On 4 November I had the pleasure of attending the ACT Australian of the Year Awards ceremony at the beautiful National Arboretum and I wanted to take this opportunity to acknowledge the wonderfulCanberrans who were announced as the ACT national finalists for 2014.

The ACT's National Finalist Australian of the Year 2014 is Dr Zsuzsoka Kecskes, who is a neonatal specialist. Through the inspiring work of Dr Kecskes, babies born prematurely in Canberra are getting a better start in life. She has pioneered the development of the international award-winning Neonatal Intensive Care Unit CAM, or NICUCAM, project—a web-based service that enables parents and families to watch their babies when they are unable to be at the hospital. The unit is the first of its kind in Australia. As Clinical Director of Neonatology, Dr Kecskes was already an influential academic and practitioner when she embarked on a four-year project to design and develop a world-class neonatal intensive care unit at Canberra's new Centenary Hospital for Women and Children. Dr Kecskes consulted
and collaborated with families who had experienced neonatal care at the hospital to develop a family-friendly, baby-focused facility. Today, the unit provides critical care and support for hundreds of families each year. Dr Kecskes has been recognised for her work into perinatal asphyxia and her research continues to inform best-practice treatment of newborn babies in Australia and around the world.

The ACT’s National Finalist Senior Australian of the Year 2014 is Graham Walker, who is a veterans campaigner. Graham’s 21 years in the Australian Regular Army included active service during the Indonesian Confrontation and the Vietnam War. He was mentioned in despatches and awarded the Vietnamese Cross of Gallantry with Silver Star. After retiring from the Army in the early 1980s, Graham shifted his focus to the domestic battleground of returned service men and women. In his work with the Vietnam Veterans Federation of Australia, Graham has assisted thousands of veterans to receive their entitlements, advised governments, authored research and campaigned for the official history of Agent Orange to be rewritten.

Passionate about music and the arts, Graham has acted as a military and curatorial adviser on projects ranging from Bryce Courtenay novels and David Williamson plays to music video clips, museum exhibitions, theatrical dance productions and the Australian TV miniseries Vietnam. Graham’s outstanding contributions have carved out a well-respected place in Australian history and will ensure that the Vietnam veterans' story is faithfully captured in arts and culture for future generations.

The ACT’s National Finalist Young Australian of the Year 2014 is Huy Nguyen, a disability advocate and extraordinary young man. A humanitarian engineer, an advocate for people with disability, an entrepreneur, a traveller and a portrait artist, Huy was born in Vietnam and contracted polio when he was 18 months old. Since then he has used a wheelchair to get around. His own physical challenges have given him a unique perspective when approaching real-world engineering problems, and he lectures engineering students on the importance of inclusive design.

Huy is passionate about international development work, has facilitated disability programs in the Solomon Islands and Timor Leste, and is the founder of a social enterprise called Enable Development, which brings together passionate professionals to tackle the challenges of disability in our global community. Huy is also the founder of EnableCanberra, an online resource which helps people with access needs to plan their visits to Canberra's national institutions. Huy understands that physical environments can exclude people, and he is determined to play his part in breaking down the barriers to a more inclusive society.

The ACT’s National Finalist Australia’s Local Hero 2014 is Patricia Mowbray OAM, who is a disability champion. Few people have the compassion and commitment to adopt one child with special needs, much less four. But for Patricia, her chosen career in disability has become her life's work. After training as a special education teacher, Trish and her husband Glenn learned they could not have children biologically and decided to offer their love to a child with a disability. The couple adopted Luke, who was born with Down syndrome, and Trish gave up full-time work to care for their new son. Shortly after, they added to the brood with Peter and Paul, who also have Down syndrome, and Emmalee, who had a medical condition which has since been resolved. Along with raising her children, Trish has worked as a volunteer in various community organisations, and more recently as a disability projects
officer. While she admits life has its challenging moments, Trish says her children have
taught her patience, resilience and to focus on their unique gifts. I congratulate all 12 finalists.

Adelaide

Dr SOUTHCOTT (Boothby) (19:44): I would like to speak about two significant events
which will happen within a week of each other. They are very significant events in the life of
Adelaide and in the life of South Australia. Last Friday the South Australian Health and
Medical Research Institute was opened by the South Australian Premier, Jay Weatherill, and
the Prime Minister, Tony Abbott. I was pleased to attend, along with 1,000 invited guests. I
would like to pay tribute to Alan Young and Raymond Spencer for the work they have done
in seeing this facility, already nicknamed the 'cheese grater' or the 'pineapple', brought to life.
SAHMRI came about as a result of the Review of Health and Medical Research in South
Australia, conducted by Professor John Shine AO and Mr Alan Young AM, which
recommended the establishment of a dedicated, flagship research institute for South Australia.

With the new Royal Adelaide Hospital and the Adelaide medical school moving to the
same precinct, this collocation will build on South Australia's impressive contribution to
medical research and innovation. Perhaps one day we will have a biotech precinct that rivals
those of Parkville in Melbourne or the one in Brisbane. In his opening speech, the Prime
Minister specifically mentioned the work of two Nobel Prize winners for medicine, Dr Robin
Warren and Lord Howard Florey, who were both graduates of the University of Adelaide
medical school. He said that Lord Florey was possibly the greatest Australian ever for his
contribution in developing penicillin for a wider use. He also paid tribute to the work of the
previous government and spoke of the importance of medical research.

The second event, which is beginning tomorrow, is the second test in the Ashes. This will
kick off at the refurbished Adelaide Oval. For a long time it has been obvious that South
Australian sporting facilities have been below the level that patrons have come to expect in
other states. I would like to pay tribute to Ian McLachlan, the President of the South
Australian Cricket Association, who fought long and hard for redevelopment of the Adelaide
Oval, and Steven Trigg and Mark Haysman, chief executives of, respectively, the Adelaide
Football Club and Port Adelaide Football Club at the time of the development. Adelaide Oval
will remain Australia's most beautiful cricket ground, with the heritage scoreboard and
bowlers coming in from the cathedral end, but patrons will now enjoy modern facilities and
an expanded capacity of 45,000. We can have an argument about whether it is a good idea to
pay the Rolling Stones $450,000 of taxpayers' money when they play the opening concert in
March next year, but nonetheless it is an event that will be welcomed.

The redevelopment of the North Terrace and Torrens precinct can only enhance what the
Prime Minister calls Australia's most liveable city. In the Prime Minister's words, Adelaide
has 'great people, a great climate, terrific restaurants, art and culture.' There are many other
things happening. The Adelaide Convention Centre is being expanded, Kangaroo Island is
receiving a new passenger terminal, and Wilpena Pound Resort in the Flinders Ranges is
completing its new safaris tents.

So it is no surprise that in October Adelaide was ranked as one of the world's top 10 cities
to visit by Lonely Planet, along with iconic cities such as Paris, Shanghai, Cape Town and
Chicago. Yesterday South Australia was also named as a global holiday hot spot by Flight
Centre. It was ranked number seven, keeping company with holiday destinations such as
Brazil, Singapore and Shanghai. These two travel authorities have confirmed what South Australians already know: we are full of hidden treasures, from the pristine beaches of Kangaroo Island to the ancient beauty of the Flinders Ranges, and we have, without doubt, the greatest array of wine regions in Australia.

**Charitable Organisations**

Mr BROUGH (Fisher) (19:48): When I first spoke in this 44th Parliament, I raised the issue of how generous the community of the Sunshine Coast is. In particular, organisations such as STEPS, SunnyKids, the Daniel Morcombe Foundation and Wildlife Warriors are just a snapshot of the wonderful organisations who are the glue that holds our society together. The Australian people are a very generous people too. Their generosity is mostly seen and comes to the forefront when there are disasters. When we have had floods and cyclones in Queensland and fires in Victoria there seems to be no limit to the generosity of Australians, both in spirit and in the opening of their wallets.

Tonight, in the comments that I am about to make, I do not wish in any way to be disparaging of our wonderful charitable institutions. But I do want to put out a challenge. We have seen a debate in this House in the last few days about standards of registered organisations. The parliament has been debating whether or not we should have greater transparency and greater accountability. Since I first came here in 1996, MPs have had to meet community expectations of higher standards. There are 26,000-plus charities in Australia that enjoy deductible gift recipient status. In other words, when an Australian gives money to that charity, they get a tax deduction. In 2007 that amounted to some $2 billion. It is wonderful generosity. What I am proposing today, and what I am suggesting to the 26,000-plus charities that do all of that wonderful work, is that they consider voluntarily letting the Australian public know what percentage they actually spend on marketing and administration—because nothing peeves an Australian more than when they have given some money to someone and they do not think it has gone to the cause for which it was intended.

Only last week a very generous man in my electorate—a man who gives a lot of money—said to me, when talking about a very high-profile national fundraising activity, that it was his understanding that 80 per cent of funds raised did not go to the recipients. Now, I do not know whether that is true, and I am obviously not naming the organisation for that very reason. But it highlights that lack of faith and lack of trust. Perhaps sometimes it is mischief making. What I would like to do is strip that away. I am calling on the major charities of Australia to, in the first instance, voluntarily take up the challenge to let the 4.6 million Australians who volunteer and the 37.8 per cent of taxpayers who claim a tax deduction for giving to charitable organisations know in clear, unmistakable clarity what percentage of donations they are spending on administration and marketing. And I think it can be a wonderful tool for us to grow our faith in those organisations and to become an even more generous community.

The top 10 charities raised in excess of $800 million, and those figures go back a few years now—back to about 2008. I know there will be those who say that this is additional paperwork, this is additional red tape, and they are against that. But no, it is not. All these organisations have to be externally audited, and all we are asking the auditors to do is to tell us what percentage of this money received is actually going to its intended user. *Choice* magazine, back in 2008, did a survey of charities and found that 94 per cent of respondents
would like to have this information on what proportion of their donation actually reaches the charity and the intended beneficiaries.

I would encourage this government, in the event that charities do not take up this challenge, for those who are deductible gift recipient beneficiaries, that it becomes a condition of receiving DGR status that they make the public aware of this. In doing so, I think we can have greater transparency. We can have greater accountability, we can grow faith in those organisations and, in doing so, we can actually grow the charitable pie. So, the challenge is there. And I say to this parliament: we should encourage all of those worthwhile organisations—the 26,000 of them—to get behind this measure and to ensure that we continue to give to worthwhile Australian charities.

**Fowler Electorate: Bushfire Fundraising**

**Mr HAYES** (Fowler—Chief Opposition Whip) (19:53): In October this year residents of the Blue Mountains in New South Wales were hit by some of the most savage bushfires in recent history, certainly the most savage since the Victorian calamity. Nearly 200 homes were completely destroyed, with another 95 damaged. At one point there were 60 fires burning simultaneously, with 22 of them out of control. It is often during difficult times like this that heroes shine and the spirit of generosity of Australians also comes through. I am proud to say that my local community was one of the most active in joining forces to provide significant assistance to those affected by the bushfires.

In fact, the local Chinese and Vietnamese communities in my electorate raised more than a quarter of a million dollars during the few short weeks that followed the fires. My electorate, as you are aware, Mr Deputy Speaker Scott, is the most multicultural electorate in the country, with more than half the people in Fowler born overseas. But despite the socioeconomic challenges within my area, it is also home to some of the most generous people in the country. I was present at a large fundraising dinner organised by over 30 of the Chinese associations of Western Sydney, which raised $110,000 on the night. The funds were presented to Councillor Romola Hollywood, representing Blue Mountains City Council, and have gone towards the Mayoral Relief Fund. This single large fundraising dinner was coordinated by one of the most active members of the local community I have ever seen, who is also the chairman of the Australian Chinese Buddhist Society: Mr James Chan. Among the many guests was the representative of the Consul-General of the People's Republic of China in Sydney, Consul Wang Yun.

Also, around about the same time, the local Vietnamese community came together in an absolutely dedicated effort that raised over $160,000. This significant sum was raised over a period of three weeks through special appeals on the streets of Cabramatta, Canley Heights and Bankstown, and through email appeals and a fundraising dinner. Almost a third of the funds were raised by young volunteers on the streets of my electorate at a time of what was probably Sydney's most inclement weather. The effort was first initiated by Vietnamese Community Australia President Mr Thanh Nguyen, with five other prominent Vietnamese organisations joining in. These include the Australian Vietnamese Health Professions Association, led by Dr Hien Tran; the Vietnam Vision Project, Dr Phuoc Vo; the Hope Project, under the leadership of Mr Chinh Dang; Rotary Club, with Thuan Nguyen; and the Vietnamese Scouts, led by Thuy Dinh. The funds raised were donated to the St Vincent de Paul bushfire appeal. A representative from St Vincent de Paul, when receiving the donation,
said they were truly moved and had not experienced this kind of generosity from a small community such as the Vietnamese Australians previously.

The electorate I represent is in no way wealthy, with many of the residents struggling. But this has never stopped them from being generous and thinking of others, particularly in difficult times. This is not the first time that residents in my electorate came to the fore when trying to look after fellow Australians. It was particularly notable when I first met them during the course of the Queensland floods. It was during that time that I learnt of an old Vietnamese saying, which translates as: when you eat the fruit of the tree, you have regard for the people who planted the seed. And for the Vietnamese, this was their way of saying that when they came to Australia they took on a community responsibility.

Members of the Vietnamese and Chinese communities—and the many other communities who have migrated to this country over the last few decades—have often expressed to me their sense of gratitude to Australia for welcoming them with open arms and giving them a second chance at a brighter future. Monetary assistance is just one way my community was able to help fellow Aussies throughout the bushfires in October. This is something that I think should reflect on modern Australia itself, and I am very grateful for the goodwill that serves and motivates this community.

5th/7th Battalion

Mr BROUGH (Fisher) (19:58): This is an opportune moment for me to pay my respects to the 5th/7th Battalion. I was privileged to be at the War Memorial on Monday. This was the first battalion I joined as a 17½-year-old soldier. Brigadier Chris Appleton (Retd) said these words at the dedication: 'The men of the battalion inherited a proud tradition of soldiering and service from the 5RAR and 7RAR at the linking 40 years ago. In 2006 the men of our battalion returned that tradition to where it belonged, not only sustained but embellished, to be honoured and borne with pride in the 5RAR and 7RAR. We expected the new battalions would do well, and they have. We are proud of them. One of the traditions inherited and returned was the Gabby Hayes toast. Gabby Hayes was killed in action in Vietnam with 7RAR in 1967. He left a sum of money in his will to be used to drink a toast each year on his battalion's birthday, and for 33 years that has been done. Gabby Hayes reminds us that the central figure of our battalion, as in all Australian battalions, was and remains the soldier—the hungry, thirsty, filthy, exhausted digger who keeps going because he will not let his mates or his battalion down. We dedicate this plaque today to the 5th/7th Battalion—the Tiger Battalion.'

The DEPUTY SPEAKER (Hon. BC Scott): Order! It being 8 pm, the debate is interrupted.

House adjourned at 20:00

NOTICES

The following notices were given:

Mr C. A. Laundy to move:

That this House notes that:

(1) the Government is delivering on its promise to build a stronger Australia with its $1.5 billion commitment to the WestConnex project in Sydney;
(2) WestConnex is part of a long term vision for Sydney’s future and is needed to cater for the additional 1.3 million people calling it home over the next 20 years;
(3) the 33 kilometre motorway linking Sydney’s west and south-west with the CBD, Sydney Airport and Port Botany, will return some $20 billion to the NSW economy; and
(4) the project will create thousands of jobs including new apprenticeships.

Ms Plibersek to move:

That this House:

(1) notes that on 22 October 2013 the Australian Capital Territory became the first Australian jurisdiction to pass marriage equality legislation; and
(2) congratulates marriage equality advocates on their long, committed and inspiring campaign.
Wednesday, 4 December 2013

The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Calwell Electorate: Student Garden Project

Ms VAMVAKINOU (Calwell) (09:30): I recently conducted the opening of a very beautiful garden at the Catholic Regional College in my electorate, in Sydenham. The garden was the culmination of many hours of work by year 12 Victorian Certificate of Applied Learning (VCAL) students who were tasked with the job of designing and rejuvenating the area in front of their college as part of their overall VCAL studies. This particular project formed the basis of the work related skills curriculum that required students to complete a work project whilst developing occupational health and safety awareness and transferable employability skills.

A local landscaper in the electorate, Mr Michael Casey, was engaged to oversee the project and acted as the 'token' employer whose job was to instruct students on how to go about the design process and how to acquire skills that they would find useful in their working lives. Initially students were split into project teams and submitted their own garden design. The individual designs were then incorporated into one master design that was applied to the final construction of the garden. The project team was also tasked with allocating students and it was all specifically tailored for them so they could best utilise their knowledge and develop their skills in the field of vocational training of their choice. I was struck by the real sense of pride that was conveyed to me by the students who had worked for that period as a team, as they worked together to achieve their ultimate goal, and I want to commend their collegiality and I want to commend the work results that they eventually delivered.

It was a beautiful day in Melbourne and the opening was catered for and hosted by other students at the school who are studying at the Trades Training Centre. The college received $6 million worth of funding in round 1 of the Australian government’s Trades Training Centres in Schools Program and it has gone on to build this $8 million centre, which features, amongst other things, a restaurant, a print and design centre and a bakery and patisserie, which by the way sells its produce to members of the public. I was particularly impressed with the professionalism and discipline shown by all students. I want to take this opportunity to thank the principal, Mr Brendan Watson, for the incredible work that he does in assisting his students and in running the school; the staff landscaper, Mr Michael Casey; in particular, the students, Domenic Molluso, Liam Reynolds, Hugo Pereira, Georges Cini, Morgan Bussettil and Jeremy Boland; and as well Jillian Davis, the VCAL learning coordinator. It is a great school and they are great kids doing a great job.

Calare Electorate: Education

Mr JOHN COBB (Calare) (09:33): I rise to speak, with some pride, about the wonderful small school of Nashdale Public in my Calare electorate. I was privileged to recently attend the school’s 125th birthday celebration—all those years since its beginning! Nashdale is a small community located about 10 kilometres west of Orange, which is the largest city in the Calare electorate. Nashdale is a magnificent area, scenic and productive with orchards and
vineyards. The nearby area of Borenore hosts the well-known Australian National Field Days, every year in October. It is Australia's original and national field days site.

Many students that attend the primary school come from small farm holdings and orchards around the district. However, around 30 per cent of the school's population come from the city of Orange, which says a lot about the calibre of the school when the city of Orange itself has many varied schools to choose from and this school is 10 kilometres away. It is also a progressive school. All students have the opportunity to learn using state-of-the-art technology. All classrooms contain 'smart boards' and each child from years 2 to 6 does have their own laptop. So the school has come a long way since it was founded in 1888.

To mark the occasion I joined with the state member for Orange, Andrew Gee, the Mayor of Cabonne, Ian Gosper, and the Mayor of Orange, John Davis, and a range of past and current students. There was even a fifth generation student, Chloe Eccleston, at the celebrations. I also had the honour of planting a tree along with Mrs Val McDonald. There were a whole host of other activities throughout the day including the opening of a heritage display, the ringing of the school bell—which is a lot older than I am—student performances, tours et cetera. I do take my hat off to the relieving principal, Kylie Toberty, for taking the lead with organising such a big event. My electorate of Calare is nowhere near as big as my original electorate, which was Parkes, but I am very familiar with small schools. I do not actually call the school at Nashdale small, as it a medium one, but it is small enough to have the benefit of being small. With schools of 10, 15 and 20 students and which have one teacher, the kids are very lucky because they end up with the best teachers. I don't know why but teachers at small schools become incredibly good and incredibly adaptive and the students benefit from it. Small schools are a good thing to have been at.

Health Funding

Ms BRODTMANN (Canberra) (09:36): Since the swearing in of the Abbott government, I have had a constant stream of my constituents contacting me to let me know about how its cuts are affecting them. From public servants who are fearful of losing their jobs, to NGOs fearful of losing their funding, to multicultural organisations fearful of not receiving their capital grants. One recurring theme has been that these fears are coming from the health sector. Now this surprised me immensely, because I recall quite clearly the coalition promising prior to the election that they would not cut health or education. We have seen them do a fairly impressive double backflip on education, which has ended up with them throwing money to the states with no funding model to back it up and with no commitment to needs-based funding or to targeting disadvantage.

But it would appear that behind the scenes they are also doing some pretty impressive somersaulting on health funding. Far from their promise that there would be no cuts, the message I am hearing from the health sector is that they are being told not to rely on any government funding. Nongovernment organisations, research organisations, peak bodies, community organisations who work tirelessly in the health space are now fearing the worst. These are the organisations who promote preventative health messages, who undertake lifesaving research, who provide awareness about the symptoms of disease, and who provide support to those Australians who are seriously sick and dying.

Now so far these fears are based on anecdote. Organisations have been tipped off and have spread the word. Though only anecdotes, based on the government's performance so far, why
should these organisations believe otherwise? Since coming to power, the government's record in health has included: ripping $100 million from the Victorian Eye and Ear Hospital; abolishing the Alcohol and Other Drugs Council, a body that has existed for almost 50 years and has been giving advice to governments since Menzies; backflipping on the promise not to close any Medicare Locals; abolishing the expert panel on the marketing of infant formula, because this government is not interested in getting accurate information about significant areas of health policy; and placing the jobs of departmental staff at risk and moving those awaiting redundancy to a permanent departure lounge.

This is a far cry from the government's pre-election promise that they would not cut health. I am asking the government, I am asking Minister Dutton, to come clean and to provide certainty to these organisations that are reliant on government funding to carry out the vital work they do for the health of this nation.

I am also asking the government to ensure that they come through with the multicultural capital grants program. I visited the Jewish centre here in Forrest just the other day for Hanukkah. They are still waiting for their $10,000 grant. They have already spent that money on shelves and chairs for their little library and they are waiting for their grant of $10,000. I am asking the government to come clean with the money.

**Brisbane International Airport**

**Ms GAMBARO** (Brisbane) (09:39): I rise to congratulate the Brisbane Airport Corporation on its announcement today of a $45 million overhaul of the Brisbane International Airport Terminal. In a statement today, the Brisbane Airport Corporation announced the redevelopment would create a world-class airport environment for travellers including new specialty stores, food and beverage outlets and unrivalled views of planes and runways.

On its completion in late 2015, Brisbane international airport will boast one of the most spectacular arrivals and departures areas in the world. Since the Brisbane international terminal was first developed in 1997, Brisbane has grown into a modern and vibrant international city. First impressions count, and it is welcome news that we will have a first-class international terminal to reflect Brisbane's relaxed, outdoor but cosmopolitan lifestyle. Brisbane Airport Corporation's CEO and Managing Director Julieanne Alroe described the new design as 'a fresh welcome which captures Brisbane's unique design and entrepreneurial spirit, the drive and enthusiasm of enterprising small business and the local lifestyle'. I congratulate Ms Alroe and BAC chairman Bill Grant on their continued dedication and professionalism in advancing the redevelopment project. It has been in the planning stages for the past 12 months, and construction will start in early 2014.

Once it is underway, the project will continue further job growth on top of the 2,700 jobs that have been created during the construction of the new parallel runway. These developments provide an example of the kind of private sector led jobs growth that the Abbott government is committed to. We are creating the right conditions for the private sector to grow by getting taxes down, reducing regulatory burdens on business and improving productivity. In addition to creating jobs growth, the project will create opportunities for local Brisbane businesses. I congratulate particularly Richards & Spence and Arkhefield, two talented Brisbane architectural firms which have been appointed to the project. Both firms are responsible for designing some of the most iconic retail and commercial spaces in the
Brisbane electorate. Richard & Spence is well known for the work it did on the fantastic James Street retail precinct in Fortitude Valley, while Arkhefield is the architect between Brisbane's landmark The Barracks at Petrie Terrace.

The international terminal upgrade and parallel runway are part of the $2.5 billion the Brisbane Airport Corporation is investing in infrastructure over a 10-year period. There are other projects, including a new multilevel car park, walkway facilities, road terminal expansions, road upgrades and a number of new commercial buildings. I look forward to the wonderful and continuing contribution the Brisbane Airport Corporation is making. (Time expired)

Racial Discrimination Act 1975

Mr DANBY (Melbourne Ports) (09:42): I rise to take on the issue of discrimination in this country. This issue struck a chord with people overnight on my Facebook page. There, people in unprecedented numbers have been looking at the issues I have raised.

In 1995, during the Keating prime ministership, section 18C of the Racial Discrimination Act was introduced into Australian legislation. For 11 years under John Howard protection against hate speech remain untouched. This raises the question: why is the current government so intent on repealing the racial discrimination legislation, which was so successful during all the years of the Howard government? The answer, unfortunately, lies in the right turn represented by this government and by their cheerleaders in the Murdoch press. Many right-wingers say that the repeal of section 18C is directly related to the conviction in court of conservative columnist, blogger and broadcaster Andrew Bolt.

A week ago today in my electorate, the former Prime Minister, Julia Gillard, was awarded the Jerusalem prize by the Australian Jewish community. During her passionate address to a packed audience, the former Prime Minister unequivocally condemned Attorney-General Brandis's plan to repeal section 18C of the Racial Discrimination Act. Prime Minister Gillard voiced her support for section 18C and drew attention to the attacks on it in the Murdoch press. She said that, earlier this month, the Weekend Australian had editorialised in favour of weakening racial discrimination laws. She said:

Allow me, please, to read from their editorial—because I cannot make the argument in favour of these laws better than they have in their twisted views.

The editorial said:

“… Section 18C of the Racial Discrimination Act provided the foundation for a Federal Court finding in 2011 that [Andrew] Bolt’s articles about light-skinned Aborigines amounted to unlawful racial vilification …

… Bolt’s columns did contain some errors of fact and they might well have caused offence—

The Australian argued—

But so what?

Former Prime Minister Gillard said:

“‘so what’ is nothing less than the preservation of the social fabric of respect and decency that binds all Australians, from all backgrounds, and all walks of life, together.

I could not have said it better than the former Prime Minister, who received a standing ovation for her remarks. It was a warm-hearted moment in my electorate to see so many people coming together in appreciation of the former Prime Minister and her long-standing,
passionate and sincere views that were in place despite the lack of political support she had, sometimes even in her own party, on these and other issues.

The issue is not going away until the coalition, and specifically the Attorney-General, gives a guarantee to the Australian people that the Racial Discrimination Act will be left untouched. It was good enough for John Howard; I do not see why it is not good enough for this current government. I hope that wiser heads will prevail. Mr Howard was a wise man. I applaud former Prime Minister Gillard's rallying cry; her Jerusalem Prize is well deserved. *(Time expired)*

**Bradfield Electorate: Centenary of Anzac**

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (09:45): Let me take this opportunity, the first one available to me, to congratulate you, Mr Deputy Speaker, on your appointment to the high office that you now hold.

I would like to speak this morning about the significance of the centenary of Anzac and particularly about the work we have underway in Bradfield to centenary of Anzac. This centenary in 2015 is an extremely important national milestone, marking as it does the 100th anniversary of an event of enormous significance to Australia's national identity—the battle on the Gallipoli Peninsula, where the Australian and New Zealand forces came ashore in April 1915. This event is marked on our most important national day of commemoration, Anzac Day and, accordingly, it is of the first importance that we recognise this milestone nationally and also locally.

Bradfield has a long military history. There are two battalions associated with the Bradfield area: the 17th Battalion and the 2/18th Battalion, later called the Ku-ring-gai Regiment. The 17th Battalion landed at Anzac Cove in Turkey on 20 August 1915, and for most of its time on the peninsula was responsible for the defence of Quinn's Post. The 17th Battalion then proceeded to France and took part in the battle at Pozières.

Our local history, of course, is about more than just these military units; it is also about the contribution made on the home front, including particularly by the Ku-ring-gai Women War Workers, who supplied knitted goods to soldiers fighting abroad, and the Ku-ring-gai Voluntary Aid Detachments.

I am pleased to note that the Anzac Centenary Local Grants Program introduced by the previous government has been materially increased by the coalition government, with the funding available to each federal electorate increased from $100,000 to $125,000, meaning that there are greater resources available to commemorate appropriately the centenary of Anzac locally.

In my electorate of Bradfield we have established the Bradfield Centenary of Anzac Working Party, chaired by Major Rod White AM RFD, which has been formed to aid local preparations and commemorations, as well as to oversee the allocation of the Anzac Centenary Local grants. Other organisations involved are the Hornsby and Roseville RSL sub-branches, the Ku-ring-gai Historical Society, Ku-ring-gai Council and the Ku-ring-gai Creative Arts High School. The working party is doing excellent work in developing plans for the many kinds of commemoratives projects that could be envisaged to recognise the significance of this very important milestone.
I conclude by once again calling on community groups in my electorate to apply for funding under the Anzac Centenary Local Grants Program.

**Makin Electorate: Prescott Primary Northern**

Mr ZAPPIA (Makin) (09:48): On Tuesday 26 November, I attended a high tea at Prescott Primary Northern school in my electorate to farewell Shane and Gaynor Blake and their two daughters, Mikayla and Casey, who were relocating to Brisbane.

The Blake family had migrated from South Africa 13 years ago so that Shane could take up the appointment as principal of Prescott Primary School, one of three Seventh Day Adventist Schools in Adelaide. At the time, Prescott Primary was a growing school in need of additional classrooms, office space and other resources.

Taking on the role of principal whilst simultaneously adjusting to life in Australia obviously presented Shane and his family with some significant challenges. Drawing on his Christian faith and personal attributes, and with the support of his family and school colleagues, Shane quickly settled into the local community and, under his leadership, Prescott was transformed. Today the school has 366 students, 40 per cent of whom have a language background other than English.

Under the Rudd government Prescott Primary Northern was the recipient of federal government funding assistance which, when combined with the school's finances, enabled redevelopment and building improvements that were desperately needed. I have known Shane Blake for most of the 13 years he was at the school as the principal and I have no doubt that his leadership, ability and mannerisms were critical to the many positive changes that the school has undergone. My observations were reinforced by Garry McIver, the secretary/treasurer of the South Australian Conference of Seventh-day Adventists. Prescott school's representative Gavin Williams, incoming principal Mark Borresen and school council chairperson John Pring all spoke about Shane's time as principal and the difference that he had made to Prescott Primary Northern during his time there.

Of course what really matters is the difference that Shane has made as a principal to the lives of the hundreds of children who attended the school during his time there. From speaking to parents and students of Prescott, I have no doubt that Shane made a positive difference to the lives and futures of those children. Shane and Gaynor are relocating to Brisbane, where Shane will take up his new position at Northpine Christian College, which is also a Seventh-day Adventist school. I take this opportunity to thank Shane and Gaynor for their work at Prescott primary school and in the local community over the past 13 years and to wish them well in their new community. I also take this opportunity to wish Mark Borresen, the current deputy principal, well in his new role as principal of Prescott Primary Northern. I assure Mark and the Prescott school community of my continued support for them.

**Sunshine Coast**

Mr BROUGH (Fisher) (09:51): I warn the ABC before I start that this will be an unabashed advertisement for the Sunshine Coast. They may want to consider whether they wish to broadcast this because I know they do not like advertising third parties. We are 21 days, three weeks, from Christmas Day. I stand here today to convince members of parliament, staff and anyone else listening that the Sunshine Coast is the place to be. There
are a lot of things about the Sunshine Coast that people know—like Mooloolaba Beach and Alexandra Headland—but there are so many things that they do not know.

How many of the 150 members in this place can boast that they have a location in their electorate that has actually made the list of 1,001 places to visit before you die? It is actually on the bucket list. We have the extraordinarily exquisite location known as Secrets on the Lake. It is the most magical, enchanting place that has been carved out by a loving family. They have created a special, serene place. I encourage everyone to look at their website and take the time to visit the village of Montville in the wonderful Blackall Range and take time to have a look at Secrets on the Lake.

It is one of the many attributes that the Sunshine Coast has that attracts day trippers and people from Sydney, Melbourne and even overseas. You can go to Maleny and Montville and look at the historical Glass House Mountains, as James Cook did from the water. As he looked up at them more than 200 years ago, he was reminded of places far away. You can walk through riparian rainforests, take delightful walks or sit at some of the best small wineries and eateries in the country. There are art galleries aplenty. There is also the Landsborough Historical Society—and that is before we hit the beaches. Alexandra Headland, Mooloolaba, Kawana Waters, Dicky Beach, metropolitan Caloundra and Ithaca surf lifesaving clubs will make sure you are safe on our pristine, family beaches. They are places where you and your family can have lifetime memories. When you come to the Sunshine Coast you can enjoy the hinterland, enjoy the pristine air and enjoy the friendliness of our society. When you are there you know you can be safe.

I want to finish by recounting a quick story. I was at the beach at Alexandra Headland the other day and I saw a scene unfold that most did not see. There was a man in trouble in the water. The volunteer surf-lifesavers went out and rescued the man. I saw him get his towel and wander back to his wife somewhat exhausted and somewhat relieved but knowing that this was going to be a memorable holiday for all the right reasons, because of the special people of the surf-lifesaving club. Members of parliament, there is no better place for your relaxation time as you lead into Christmas. Come and join us on the Sunshine Coast.

**Corio Electorate: Cycling**

**Mr MARLES** (Corio) (09:54): Communities with strong bike infrastructure are communities that are prepared to address the difficult transport issues of today while meeting the important challenges of tomorrow. In my electorate of Corio there is an increasing need to make Geelong a more bike friendly city so that commuters have the opportunity to choose cycling with the knowledge that they can safely travel from one place to the next. This need was precisely what the previous Labor government was working to meet, having committed more than $1 million to the Barwon to Bay cycleway, a 2.4 kilometre two-lane separated bike lane between the Geelong CBD and the Barwon River.

This was funding provided under RDA round 5 after this project was selected on its merits through a competitive process. This is funding that formed part of this year's budget, which went through the parliament. Now there are reports today that the Abbott government will now cut this funding and therefore cut this project. Once again the Liberals come to the electorate of Corio, promising nothing but ripping money out. These paths would save lives and prevent injuries. Tony Abbott is now stopping these paths from being built.
In June I spoke about the disturbing reality of cyclist fatalities in Geelong. This was brought to my attention after a meeting with Mr Barton van Laar, the President of Bike Safe Geelong. The need to recognise that Geelong is far from a bicycle friendly city in order to really tackle this issue remains prevalent. Since 2009, 20 per cent of Victoria's 30 bicycle fatalities have occurred in Geelong. Not only are members of our community losing their lives as a result of these tragic bicycle accidents but also, in the last financial year alone, hospital admissions related to cycling accidents in Geelong have increased by 30 per cent. Without the proper investment in cycling infrastructure, these tragedies will continue. The Geelong community, and other regional communities all over Australia, are therefore bitterly disappointed that the federal government has taken the step to cut round 5 of the RDA grants.

Effective bike infrastructure not only is about addressing safety issues but also stands as an integral part in meeting the increasing transport challenges of our community. At the last census less than two per cent of Victorians travelled to work by bike. This is a strong indicator that we need to give commuters of Geelong the genuine opportunity to cycle instead of drive. Bike infrastructure such as the Barwon to Bay cycleway will provide people with the assurance they can travel safely and, in turn, give them an incentive to use cycling as a real transport alternative. This supports the health and fitness of those who take up cycling, eases traffic congestion and car-parking costs and, importantly, contributes to a more sustainable transport system by reducing transport emissions. So this is what the Barwon to Bay cycleway would have meant for Geelong. It would have meant saving lives, preventing tragic accidents and taking on our increasing transport challenges by supporting cycling as a real alternative for commuters, and increasing the revitalisation of Geelong CBD and surrounding areas. Tony Abbott is now stopping this from happening.

Banks Electorate: Hurstville Rotary Club

Mr COLEMAN (Banks) (09:57): Mr Deputy Speaker Scott, I take this opportunity to congratulate you on your election to your role.

I rise today to congratulate the Hurstville Rotary Club on some of its recent activities. Rotary right across Australia does tremendous work in communities, and nowhere is that more true than in Hurstville in my electorate. Hurstville is the largest centre within Banks, and the work of Hurstville Rotary is particularly important.

One of the important functions that Hurstville Rotary performs is raising funds for Australian Rotary Health. Australian Rotary Health contributes substantially to health research projects across Australia. At a recent fundraising dinner, which was held in South Hurstville on 25 October, we were fortunate to hear from some of the recipients of scholarships from Australian Rotary Health. These recipients are conducting health research in some very complex and important fields. These young people, as they presented to us on their work, really paid a great tribute to Hurstville Rotary because much of their research would not have been possible without the fundraising activities of Hurstville Rotary. Rotary Health is the largest non-government funding body for mental health research in Australia and provides a wide range of support in this area, so I would certainly like to congratulate the club on that activity.

The other activity of the club that I would like to acknowledge this morning is its recent fundraising campaign for Gabby in the Hurstville electorate. Gabby has a form of epilepsy known as infantile spasms. She endures, unfortunately, many seizures every day. The van that
was previously used to transport Gabby broke down some months ago, and Hurstville Rotary have taken it upon themselves to assist her family in raising funds to purchase a replacement van. That will cost about $70,000, so it is a very considerable task.

On 15 November I was able to attend and co-MC a function that Hurstville Rotary held to help raise funds for the vehicle. We raised $32,000 on the night, which was a great success, and about $54,000 has been raised in total now by the club, so Hurstville Rotary are getting quite close to raising the $70,000 that is required. Tremendous work from Hurstville Rotary, and I want to congratulate them this morning on their efforts.

The DEPUTY SPEAKER (Hon. BC Scott): Order! In accordance with standing order 193, the time for members' constituency statements has concluded.

**BILLS**

**Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013**

**Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013**

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr DANBY (Melbourne Ports) (10:01): In regard to the Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013, I think we have to understand that most of the oil that was released meant it was one of the biggest spills that could have endangered Australia and that this legislative amendment is an important change to the regulatory regime in relation to offshore petroleum management. A strong and updated regulatory regime in relation to offshore petroleum management was made clear by this spill. It is a necessity. This was from the blow-out of the Montara wellhead platform. The Montara development was owned and operated by PTTEP Australasia (Ashmore Cartier) PL and the area of this spill is located in the Timor Sea 690 kilometres west of Darwin in the Northern Territory and 250 kilometres north-west of Truscott in Western Australia. On the morning of 21 August 2009, there was a blow-out of oil and gas from the wellhead platform. Although 69 personnel on the platform were safely evacuated, a considerable amount of oil was released from the blow-out. Estimates vary but an inquiry observed that, if the worse-case scenario used in the initial response planning by PTTEP Australasia (Ashmore Cartier) PL meant 400 barrels a day were thought to have been spilt, the spill would have constituted 29,600 barrels or about 4,736 tonnes. This would have been Australia’s third largest oil spill after the Kirki spill of 17,280 tonnes in 1991 and the Princess Anne Marie one of 14,800 tonnes in 1975. PTTEPAA advised the commission of inquiry that the initial release could have been as high as 1,500 barrels per day. If this figure had been the actual amount of oil released into the ocean per day until the well was 'killed', the spill would have been the largest in Australian history at 17,760 tonnes, larger than the Kirki spill which I have mentioned and which broke up off the coast of Western Australia.
Most of the oil released from the blow-out remained within 35 kilometres of the Montara wellhead but some oil was observed 94 kilometres off the Indonesian island of Palau Roti and in the joint Petroleum Development Area off Timor Leste. The area of ocean where oil sheen or oil patches were observed was about 90,000 square kilometres. From 5 September 2009 through to 3 December 2009, two vessels were used to operate a 300-metre containment boom and skimmer around the oil well, which recovered an estimated 493,000 litres of oil or oil emulsion over 35 days of operation. Part of the response strategy was aimed at protecting Ashmore Reef, the Cartier Islands and the Western Australian coastline, because of their significant environmental features and the fact that trajectory models showed that the oil spill threatened Ashmore Reef and the Cartier Islands. A total of 184,000 litres of dispersants were used on the oil spill to accelerate weathering and breakdown of the oil on the sea over the period 23 August 2009 to 1 November 2009.

On 5 November 2009 Martin Ferguson, the then Minister for Resources and Energy—the former member for Batman now departed this place—announced a commission of inquiry into the uncontrolled release of oil and gas from the wellhead petroleum. The inquiry was undertaken and a number of recommendations proposed. The government has agreed to a large number of these recommendations. New regulatory bodies have been created and relevant legislation passed. I think that we have seen with the events in the Gulf of Mexico that we cannot be too careful with offshore oil spills. They can cause severe damage to the country if the activities are not properly regulated by governments, particularly in their relations with commercial organisations which are seeking to exploit oil and gas.

The purpose of this particular bill is to amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to provide a new model for allocating cash-bid exploration permits in the offshore petroleum regulatory regime. In November 2012 the government announced the decision to apply the cash bidding allocation method for select blocks as released in the prospective 2014 offshore petroleum exploration acreage release. An independent and expert review of the act was conducted. It identified weaknesses in the current model that posed risks to implementation of the effective cash-bidding model. It proposed amendments to the existing cash-bid exploration permit allocation model in the act to have the following key features: limiting the discretion to refuse an offer of a permit made by the joint authority; failure of highest bidder to accept offer results in the 10 per cent deposit paid by that bidder as part of cash bid being forfeited to the Commonwealth; full payment of the cash bid must be paid by the successful bidder within 14 days—previously 30 days.

The joint authority will set a reserve price for each of the areas being released. This price will reflect an estimate of the resource available. The reserve price will be determined in advance of inviting applications for the permit and, at the discretion of the joint authority, will be disclosed or undisclosed to bidders via the government Gazette. Where an offer is made below the reserve price, the permit will be offered at a reserve price.

Another of the regulations concerns the separate prequalification and bidding process. The prequalification assessment of potential bidders' technical and financial capacity to hold an exploration permit will take place prior to the applicants placing their cash bids. There will be a tie-breaker where two or more equal highest cash bids are received. In such cases, further cash bids will be invited from the tied applicants and the highest bidder will be offered the permit.
Oil spills threaten countries such as Australia. I commend the former minister for his inquiry. I obviously agree with the former government's inquiry and recommendations and am pleased that this current government is following up this issue, if not others.

Mr ZAPPIA (Makin) (10:08): I too take the opportunity to briefly speak on the Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill and the related bill, the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013. As the member Melbourne Ports has quite properly pointed out, the purpose of the bills is to amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to provide an optimised model for allocating cash bid exploration permits in the offshore petroleum regulatory regime. The bills arise from a review of the current processes that took place some time ago—a review which was quite appropriate given the importance of offshore petroleum exploration in the waters around our country.

As we have debated in this place on other occasions, the importance of offshore petroleum exploration to the country is unquestioned in terms of what it means for the future of our nation because of the quantities of minerals and gasses that we understand are located in those waters. Simultaneously, the importance of preserving and protecting the natural environment is equally of immense value to our nation—and what is not often well understood or accepted is that the environment within the ocean waters is perhaps far more important than the natural environment that we see on a daily basis on land. In order to try and ensure we get a good balance of what goes on in the ocean waters, some of these changes have been brought in.

What this amendment will effectively do is introduce a two-staged process, whereby someone who wants to get an exploration permit for mining in the ocean waters is, firstly, assessed as to their suitability to even apply for the permit; and, secondly, if they are suitable, they are allowed to engage in a tender process. I will come back to the question of their suitability, because quite frankly I think that is a critical element of this proposal. Assessing whether an applicant is in fact suitable to be able to apply for a permit is critical to the whole process because the suitability of the applicant goes not only to the concern of whether they are suitable and competent to carry out the necessary work, and therefore ensure that the work they are carrying out is in the national interest, but it is also a matter of whether they are suitable and competent in terms of their previous track record in mining exploration, in particular their responsibility with respect to the environment. So the government is able to assess their suitability not only on the basis of their expertise but also on their compliance with the relevant laws and regulations and the level of responsibility shown by their previous activities in complying with all the environmental requirements placed on them.

One of the things that is not clear from the legislation is whether an applicant who is determined to be not suitable has an appeal mechanism available to them to be able to appeal the decision that they were not suitable. I could not find that anywhere in the material that I read, but it would be interesting to get a response from the minister as to whether there is a process available to them. I have no doubt that an applicant may lodge all of the necessary documentation, and perhaps be determined by the minister not to be suitable, and then in turn wish to appeal that decision because they may feel they were harshly or unjustly treated. Having said that, I have to say that I have no problems with the process being a two-stage one, with the suitability question being the first step of that.
The second stage of the process is where the government is now proposing to go from the current system, where I understand an applicant is allocated the permit on the basis of how much work they are expected to be able to carry out, to one where they simply bid for the right to carry out the exploration work on the basis of a value that the government has put on the area that is subject to the licence application. As the member for Melbourne Ports has quite rightly said, in the bidding process it is broken up into four categories: (1) limiting the discretion to refuse an offer of a permit; (2) the reserve price; (3) the separate pre-qualification and bidding process; and (4) a tie-breaker. They are all steps required to try and overcome different issues that may arise out of the whole process.

In my view the bidding process is the fair way to go. It enables an applicant to put in the bid that they believe is commensurate with the opportunities presented by the licence for which they are applying. It also has provision within the whole process to ensure that if the bids are tied then there is a tie-breaking mechanism. If a bidder puts in an application and then refuses to go through with it, they lose their 10 per cent deposit. It also establishes the processes that will be required if none of the bidders put in an amount up to the reserve price that the government has set for it. Again, there are processes to see all of that through.

The whole process, I believe, will not only make the process of issuing licences much fairer but also make it more transparent. I think that that is critical given the immense interest that has been shown to date with respect to licences issued for permits to be granted in exploration of both land and sea opportunities here in Australia. We have seen cases in the past where licences have been issued to proponents and the activities resulted in serious damage to the ocean environment. We have also seen cases in the past where other activities associated with the mining, once the licence has been granted, have also resulted in serious environmental damage to the oceans. What we need to try to ensure is that that does not occur again. Whilst there is other legislation which covers some of the matters relating to the obligations of the people who are granted the permits and the penalties involved with them, I believe it is incumbent on the government, on behalf of the community that we represent here, to ensure that the processes that we apply are not only fair but responsible, because the last thing anybody wants to see is some of the environmental damage and catastrophes that have occurred in recent years both in Australia and elsewhere as a result of mineral exploration permits or mineral licences being granted in some of the sea waters around countries. We have had examples here in Australia and also in America where the damage that was done was such that it took months and months, and possibly even longer, to try to rectify or remedy it; in fact, I do not think it was ever properly remedied. The same applies with some of the areas here in Australia.

I think that in this country we have some of the most pristine ocean areas, which we need to protect. We also know that within those areas there are opportunities for mineral development and mining leases to be granted. So this legislation, in my view, draws the right sort of balance and, as I said earlier, picks up on recommendations as a result of a review that was commissioned by the previous government and which is now being implemented by the current government. I commend the legislation to the House.

Ms HALL (Shortland—Opposition Whip) (10:17): It gives me great pleasure to speak on this legislation, which I believe is very important because it not only changes the regulatory regime that we currently have in place but also, as the member for Makin points out, gets the
The right balance between environmental protection and the issuing of permits, ensuring that Australia's exploration and mining industry continues to succeed. In Australia we have a strong commitment to the mining, petroleum and other industries. We are very committed to ensuring that we have a strong industry base, but we are also extremely committed to ensuring that our pristine environment is protected. Any issuing of permits and licences needs to take into account the need to preserve the environment.

The purpose of the Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013 is to amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006. It is providing a new model for the allocation of cash bidding exploration permits in the offshore petroleum regulatory regime. It is very important to mention at this stage that it was the previous government that undertook this. In November 2012 there was an announcement that we had moved to this system. The government then announced the decision to apply the cash bidding allocation method for the selection blocks released as from 2014.

The next statement I am making is a very important one: an independent and expert review was conducted of the act. It identified weaknesses in the current model that posed risks to the implementation of an effective cash bidding model. I am very supportive of any reviews that take place that really can improve the industry and ensure that the regime that is in place is the best possible regime, as I mentioned in the beginning, to deliver for the industry and protect the environment.

The proposed amendments will change the current cash bidding exploration permit allocation model in a number of ways. They will limit the discretion to refuse an offer of a permit made by the joint authority, and failure of the highest bidder to accept will result in the 10 per cent deposit paid by the bidder as part of the cash bid being forfeited to the Commonwealth. Full payment of cash bids must be made by the successful bidder within 14 days; previously it was 30 days. So this puts in place a requirement for those who are involved in the industry to actually commit to the permit in a much quicker and more transparent way.

The joint authority will set a reserve price for each of the areas that are released, and the price will reflect an estimate of the resource available. The reserve price will be determined in advance of inviting applications, at the discretion of the joint authority, and will be either undisclosed or disclosed to bidders via the gazette.

There are separate prequalifications and bidding processes. Prequalification assessment of the potential bidders' technical and financial capacity to hold an exploration permit will take place prior to the applicant placing their cash bid. I think this is a very important aspect. It allows for the bidders' credentials to be looked at. This should take place definitely well in advance.

The amendments also introduce a range of tools to achieve more efficient allocation of petroleum permits. It is important that we have an efficient industry that operates in a way that is going to deliver the greatest benefit not only to the industry but also to the Australian economy. These changes will lead to that.

As I mentioned previously, it was the Labor government that, in 2012, announced that it would reintroduce cash bidding for selected offshore petroleum permits. Cash bidding was previously used in Australia between 1985 and 1992. It was used successfully in the US Gulf...
of Mexico and has recently been introduced for onshore coal tenements in Queensland. Last year the Labor government decided that cash bidding would be used from 2014 on, and we made that decision based purely on the fact that it was the best way to operate the industry, and that the allocation of offshore petroleum acreages in mature areas and in areas containing known petroleum accumulations was best served by operating under this new regime. Under the competitive cash-bidding system applicants offer cash bids for the right to explore, with exploration permits being awarded to the highest cash bidder. The legislation before the House follows the 2010 Australia's Future Tax System Review, which recommended a move in this direction.

I feel that this is very important legislation. It is noncontroversial simply because of the fact that we on this side of the House could see the benefit of introducing this regime when we were in government. I am pleased to say that the now government has picked up the recommendations and the changes to the legislation that we were looking at introducing before the election. These are changes that will strengthen the industry, improve environmental protection and ensure that we look after our pristine environment in those very special areas.

At the same time—because this is a cognate bill—the bill allows for the collection of annual administration fees by the National Offshore Petroleum Titles Administrator, and that will cover the ongoing costs associated with the cash-bidding bill. And so I am quite confident that the changes that have been outlined in this bill, which resulted from a review that was undertaken by the previous government, will benefit the industry, will benefit our economy and will be great for the future.


I am delighted for two reasons: firstly, it really is an example of what is very good regulation. While we quite often hear the current government—now and while in opposition—decrying regulation generally, you do find quite often very good examples of regulating, in this case by the use of a market based mechanism to achieve not just good economic outcomes for the industry itself but good outcomes for the Australian community in terms of safety and a return on the assets that it owns.

We should be reminded from past years how dangerous offshore exploration and drilling can be. We have seen two workplace deaths on offshore drills, we have seen a number of explosions and we have seen some unexplained release of hydrocarbons. We should always be aware that whatever regulatory regime we introduce in our offshore assets that safety of workers is one of the principal objectives, as also is safety of the environment. Our offshore assets are valuable for a range of reasons. They are incredibly valuable because of their pristine nature—'invaluable' perhaps one should say because of their pristine nature and the work they do in keeping our environment stable and in keeping us in good health. They are an extraordinary asset that we should be protecting for our children. But it is also because of this amazing wealth in hydrocarbon that sits below the ocean floor; these hydrocarbons belong to all the generations from now on and we must ensure that we get a return from them that we can share with future generations.
We are one of the world leaders in this field. We are incredibly good at finding and extracting hydrocarbons from below the ocean floor. We have been doing it for a while and we are renowned around the world for our safety record. But we can always do it better. The addition of this market based mechanism ensures the three things that we need to ensure—that human health and safety comes first, that the environment is protected in the way that we need to do for future generations and that we provide certainty and a return both to the businesses that engage in exploration and extraction of hydrocarbons and also to the generations to come.

It is a very interesting approach that is being taken here. It was first put forward and announced in November 2012 by the former Labor government when a decision was made to apply a cash-bidding mechanism to allocate titles for select blocks as released in the 2014 Offshore Petroleum Exploration Acreage Release. This model applies to the allocation of petroleum exploration permits for mature areas. They are areas that are known to contain petroleum accumulations and it is intended to prevent overexploration where none or little may be required. So this relates to areas where we already know that there are deposits or where it is strongly believed that there are ones.

It is a market based model and it imposes a competitive bidding system. But because of the issues of safety for its workers, the environment and the return to the Australian community, price is not the only indication. We all know of bidding processes where decisions are made once the bids have been put and they require judgements on expertise and on readiness as well as on price. They are incredibly complex and are not as transparent as one would want for the industry or for the community.

In this process the two issues of the qualifications to actually undertake the exploration and the drilling and the bid itself are separated into two processes. There is a prequalification assessment of potential bidders that takes place prior to the submission of the cash bids to ensure that those that are bidding are actually eligible. This involves an assessment of the technical and financial capacity of an applicant to undertake the exploration work offshore commensurate with being the holder of an exploration permit over the blocks that are being released for cash bidding. As a consequence of this, the companies placing the bids can be confident that those bids will be assessed on price and price alone and those assessing the bids can be confident that they are looking at price alone once the bids are placed. That is because in preassessment the judgements on whether a company is capable, eligible, has the appropriate record, has the appropriate expertise and has the appropriate financial assets to sustain their efforts in future years are all done prior to the submitting of the cash bid. So that part of the process takes care of a lot of the issues which have to be taken into consideration concerning the ability of a company to deliver safety for its workers and the ability of a company to be able to manage its exploration and drilling in a way that protects the incredibly valuable environment for future generations. That then means that when the bid is submitted the thing that matters at that point is the return for Australians and future generations. It is purely a matter of price at that point. So it is a very interesting application of a market based approach that manages to ensure firstly that the companies are able to deliver the things that the community needs them to deliver and, secondly, then considers price alone and the return to the Australian community on the assets which they own.
There are a number of other nice little bits in this bill as well and I do congratulate the minister and the government of the day, as back in 2012 there was extensive consultation on this process. In fact they brought in auctioneering experts and consulted widely. There was a very comprehensive process which led to the development of this rather clever approach.

There are two other elements that protect Australian owners of the assets and the companies themselves. Firstly, there is a reserve price, which is very important. The reserve price is set by the joint authority for each of the areas being released, so that ensures that the government cannot and does not sell the permits for less than a desirable price or below their public value. And the reserve price will be determined in advance of inviting applications and will be disclosed or undisclosed depending on the circumstances.

The reserve price will be set to ensure that if, at a point in the history of commodity prices, there is a slump in prices—and we know that prices for oil and gas and everything else we pull out of the ground go up and down—and the bids that are put in are less than the reserve price, those assets will remain in Australian hands until the prices are better. When you are dealing with assets that belong to this and future generations you never have to take a price that is less than desirable, because the assets stay in the ground until the price is right. In the growing market for hydrocarbons in our region it is hard to imagine that the value of our hydrocarbon reserves would decrease over the long term; one can only imagine them increasing if we wait for the right price.

The second interesting addition to the bill is the limiting of the discretion to refuse an offer of a permit. Again, once a company has passed its eligibility process and submitted a bid, to ensure that the highest bidder is incentivised to accept the offer of permit, a 10 per cent deposit will be forfeited if they do not accept it. This discourages frivolous or ambit-claim bids and ensures that bids are serious. If you are the highest bidder and you refuse an offer of permit, you forfeit 10 per cent of the cash price of your bid. That is quite an onerous burden for a company making a bid that they do not intend to follow through on.

The other bill that we are talking about today, the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill, is also an interesting one. It is the less complex of the two bills but it is an interesting one. It essentially requires companies engaging in the bidding process to pay a levy, which allows the National Offshore Petroleum Titles Administrator to recover costs for its annual titles administration activity. If we had actually managed to pass this bill—at the time it was a more controversial bill—I am sure that the then opposition, the current government, would have called it a tax. They do not seem to like the word 'levy' when we use it but love it when they do.

This is a case of very reasonable cost recovery. The companies are making profits from the use of our assets, but they require this kind of regulatory regime in order to protect the community now and into the future from damage to its environmental assets. This ensures that our community now and into the future receives the financial benefit from the assets that it owns beneath our ocean shores and that these incredibly dangerous workplaces are managed in a way that keeps workers safe—they can go to work and come home again, as I put it, with all their bits intact. It is absolutely appropriate that the companies—a relatively small number of companies—that are engaged in this activity pay the cost of the regulatory regime. That is the second bill.
This is a very good pair of bills that takes a very practical, market based approach to ensuring that our very valuable offshore hydrocarbon assets are exploited in a way which is safe for workers, which ensures the best environmental outcomes that we can achieve, and ensures the best possible returns to Australians in this generation and the next. I commend the bills to the House.

Mr PERRETT (Moreton) (10:38): I rise to speak on the Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013. I commend the member for Parramatta on her contribution. I know that she is passionate about this topic. She is forever talking about hydrocarbons, and the pricing and extraction thereof. I have been in parliament for six years and have spoken on hundreds of pieces of legislation. Some of those were momentous, some exciting. This legislation is neither of those, but it is an important piece of legislation, supported by both sides of the House, in terms of ensuring that the Australian public receive the best possible return for the resources that they own. In fact, I would suggest that much of this legislation borrows elements from the Queensland Mineral Resources Act, a piece of legislation I know a lot about, having worked in that area in another life. It takes many of the competitive bidding characteristics from the Queensland legislation, so I am very familiar with that side of the legislation.

The purpose of the bills is to amend the act to provide a new model for allocating cash-bid exploration permits in the offshore petroleum regulatory regime. For those listening at home, the Commonwealth has control over the resources under the ocean and states have control over the resources on land. That is the way cooperative federation works. If we look back over the years there was much heated debate in this parliament when the states and the Commonwealth were working out that divide and how it was going to do it. In fact I think a previous member for Moreton, Sir James Killen, received a lot of attention over some of the sorting out of that process. The debate was nice and cold at the time—if you read the Hansard from the time at which we were working out the Petroleum Resource Rent Tax, it was going to be the end of society as we knew it. Obviously that piece of legislation has resulted in $25 billion to $28 billion going into the coffers of the Commonwealth government.

Sadly, today we are having a similar debate about the MRRT. I understand that those opposite took that to the election and in their electorates they received confirmation that it is important that Gina Rinehart be given extra money. On this side of the chamber we support the idea that if super-profits are being made they should go to the Commonwealth. If super-profits are not being made, then obviously the tax is not being paid. So we are still passionate about the MRRT.

Nevertheless, in regard to the bill in front of us, in November last year the Gillard government announced the decision to apply the cash-bidding title allocation method for select blocks, as released in the 2014 offshore petroleum exploration acreage release. This is sort of like the way the gold rush was handled in days gone by, where it was said that you needed to put in a bid and stake out a claim. Obviously you just cannot stick up a flag like they did in the Klondike, as offshore exploration is a bit more complicated. You have to be able to put a deposit down. They set a reserve price so that speculators or carpetbaggers would not come in.

I think this method of ensuring we receive the best return on our resources is the envy of the world, although with the number of metres of drilling the Canadians are doing at the
moment they have established a couple of factors that Australia needs to lift its game on. Where they have it over us at the moment is on the Australian equivalent of flow-through shares. I think it is still the Labor Party position that we would achieve this, even though it did not come in during the six years we were in office. The reason the cash-bid exploration permit process works is because of the great resource we have in Geoscience Australia. They have some of the best, if not the best, data in the world, which they are able to sell around the world at fairs and markets. The way that they do it is a lesson in federation, in that the individual states, although they are competitors, go to the rest of the world and offer an Australian product. I wish tourism would take a ticket out of this process. It is a situation where, even though northern New South Wales is competing against Queensland, Victoria and Western Australia, we need to have one brand. I can see the member opposite nodding. I think it is something we need to work on a bit more: that we have that one recognisable brand. Rather than poor old Maroochydore going and trotting themselves out to the world, we need that Australian brand. But I think Geoscience Australia, despite the states competing for explorers, miners and capital, are able to go to the world and sell this information in such a way that for the last 20 years they have been able to sustain a level of investment that is the envy of the world.

There are a few grey clouds on the horizon and there are some bad decisions coming our way—I see Rio the other day announced that they are rethinking their capex in Australia, and a few other mines and exploration projects are on hold at the moment—but nevertheless this legislation, which is supported by both sides of the chamber, is all about making sure that we receive the best possible price. How do we do it? The independent review of the act said the cash-bidding model needed to be tweaked, so the proposed amendments to the existing cash bid exploration permit allocation model have the following key features. They limit the discretion to refuse an offer of a permit made by the joint authority. The failure of the highest bidder to accept an offer results in the 10 per cent deposit paid by the bidder as part of the cash bid being forfeited to the Commonwealth, so it hits corporations in the wallet if they are not able to carry through, and that money must be paid within 14 days rather than 30 days. There is also something that I am particularly supportive of: even though capex is tapering off in the mining industry, there is a reserve price. So the joint authority—

Ms Hall: Why are you so supportive of that?

Mr PERRETT: Because the reserve price ensures that we get the best possible price, and it also means that only serious players come to the table. You cannot be a speculative outfit just trying to leverage money out of nothing when you are nothing more than a $2 company. Only serious players come to the table. That price is based on the information provided by Geoscience Australia, which is Australia's national geoscience agency and has some of the best geologists in the world, I would suggest. So this reserve price will be determined in advance of inviting applications for the permit and, at the discretion of the joint authority, will be disclosed or not disclosed to bidders via the government Gazette. Then, where an offer is made below the reserve price, the permit will be offered only at the reserve price. There is also the separate prequalification and bidding process. This prequalification assessment of potential bidders' technical and financial capacity to hold an exploration permit will take place prior to applicants placing their cash bids. The other feature that they have brought in is the tie
breaker rule: where there are two or more equal highest cash bids, further cash bids will be invited from the tied applicants and the highest bidder obviously will be offered the permit.

I had a bit to do with this in the 42nd Parliament when I was a member of the House of Representatives Standing Committee on Primary Industries and Resources, chaired by the very capable Dick Adams. The deputy chair was Alby Schultz. In that committee, we were particularly looking at the greenhouse gas storage side of the legislation in advance of putting a price on carbon, realising that it would be in people's interest to be able to use these offshore facilities to store greenhouse gases. The reason I touch on that side of the legislation is that it illustrates how, in a carbon-constrained world, much of the low-hanging fruit has gone. It seriously calls into question the efficacy of the Direct Action policy that has been proposed, which we are yet to see unpacked or explained.

The reality is that most technical innovations—as I said, the low-hanging fruit—have already been taken by industry and households. When I drive around my electorate I see that just about every second or third house has solar panels on the roof. People are making the changes because they have experienced a price on carbon—that gentle guide to change behaviour, which is a market mechanism. Obviously the Labor Party still believe in markets, not in the command and control of Canberra bureaucrats. We believe in a market achieving the best price. It has worked for the last 5,000 years and it obviously will work when we are sorting out the future of the planet.

It will be interesting to see how people take advantage of the offshore petroleum and greenhouse gas storage legislation in a direct action environment. It will be interesting to see who makes such choices, what public servant makes the decision to undertake such a speculative venture as putting greenhouse gases down in Bass Strait or the like.

The legislation we have before us is about achieving the best possible return for the Australian people for the resources, the hydrocarbons, that they earn. We know—the Labor Party and even those opposite know, because I remember what they said in the lead-up to the 2007 election when they were all gung-ho for ratifying Kyoto and putting a price on carbon—that putting a price on carbon will have the lowest possible cost to society. It will be interesting to see how direct action is rolled out.

It is 4 December today and I remember 2 December 2009 when the now Prime Minister became the opposition leader and that scuttled the deal that had been done in this parliament. Labor and Liberal had agreed to put a price on carbon. The ETS had gone through the lower house—supported by the member for Wentworth, I seem to recall. He came and voted with us. It went to the other place, where it was supported by Labor. If the Greens had voted with Labor, because two Liberal senators voted for it, we would have had an ETS back in December before we went off to Copenhagen. Imagine how the world would have been different if the biggest emitter per person on the planet, Australia, had been able to go to Copenhagen and say, 'We've done it.' Obviously, that did not take place. We cannot live in the past, even though that seems to be the prerogative of the current government. We cannot live in the past; we need to deal with today.

This legislation in front of us is about recognising that there will be a transition. Hydrocarbons will obviously play a part. They are a valuable resource for the Australian people. We can see the economic benefits that come when a country is not relying on hydrocarbons being imported. Look at the transformation in the US economy in the last two
or three years. That is a story of hydrocarbons coming out of North America, rather than the Middle East. That is how the US is transforming its economy in the current climate.

This legislation is noncontroversial; it is supported by both sides of the chamber. I commend the Gillard government for bringing it forward and the Abbott government for bringing it forward. I commend the bills to the House. *(Time expired)*

Mr STEPHEN JONES (Throsby) (10:54): The Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013 and related bill deal with our energy security and the efficient allocation of rights to explore for petroleum related resources. A stable and internationally competitive offshore exploration investment regime is critical to this objective. I think that view is shared by members of all the major parties in this country.

Each year the Commonwealth engages with stakeholders and releases offshore petroleum exploration acreage for competitive bidding by those in the industry who wish to prospect and explore. The amendments in these bills before the House introduce a range of tools to achieve a more efficient allocation of exploration permits. They are not new. In 2012 the Labor government made an announcement that we would introduce cash bidding for offshore petroleum permits. In fact, this returns to a system that had previously been used in Australia in the mid-1980s. In fact, it was used up until 1992. It has been used successfully in other jurisdictions including in the United States in the Gulf of Mexico, where they have massive resources and a lot of interest from explorers to exploit those resources. It has also been used recently in Queensland for onshore coal tenement titles. It has been proven around the world to be one of the more effective means of having an open and transparent mechanism for distributing these rights and ensuring that there is a fair return to taxpayers.

Pursuing this, last year the then Labor government decided that cash bidding would be used from 2014 onwards to allocate offshore petroleum acreage in mature areas and in areas containing known petroleum accumulations. So these bills, in effect, build on the work that the previous government did in the area and seek to make amendments to cash bidding for petroleum exploration permits functions to make it more efficient. Under a competitive cash bidding system, applicants offer cash bids for the right to explore with exploration permits being awarded to the highest cash bidder. So this legislation follows from the 2010 future tax system review, which recommends a move to cash bidding for these sorts of petroleum exploration permits.

The bills contain a compulsory payment of a 10 per cent deposit from all bidders as part of their cash bid—in essence, to ensure that we have bona fide bidders only and that people are not squatting on their rights. This is relinquished to the Commonwealth if the highest bidder fails to accept an offer. It is designed to guarantee that the bidder will accept the offer. The creation of a reserve price is to ensure that the Commonwealth does not sell the permits below their public value. And, finally, there is a prequalification of potential bidders for technical and financial capacity to hold an exploration permit to ensure expeditious processing of permits. It includes provisions to ensure that where there are two or more equal highest bids, a highest bidder will be determined and offered the exploration permit. Using cash bidding as the method to allocate petroleum exploration permits for mature areas, or those known to contain petroleum accumulations, is intended to prevent overexploration where none or little may be required.
The 2013-14 budget predicted that the reintroduction of cash bidding would provide around $160 million in additional revenue from 2014-15 alone, through to 2016-17. In a tight revenue environment where the present government is militantly denying itself sources of revenue from Australia's mineral wealth, measures such as these are absolutely critical—not just now, but well into the future—so that Australians, no matter what state they live in, benefit from the resources that all Australians own.

I said at the outset that these bills are a part of our total package of measures to ensure that we have resource security now and into the future. To that extent, I welcome the bipartisan support for this legislation and other measures. Of course, more needs to be done. I have in mind in particular the crisis that we are about to face, particularly in the Eastern States—particularly in New South Wales, Victoria and Tasmania—around the supply of natural gas. So if we are going to address energy security issues, and if we are going to have an efficient market for our energy resources, then we should be looking at each and every one of these pressure points. The position with the eastern gas market is something that requires urgent attention and legislation before the House.

You would know, coming from the Territory, Deputy Speaker Griggs, that Australia has an abundant supply of natural gas resources. We are set to become the second or third, if not the largest, exporter of natural gas in the world based on the abundance of our exploitable supplies. Against this background, it must strike Australians, whatever their political hue, as passing strange that over the next couple of years we are about to face a shortage of natural gas in the eastern states because of a failure of government policy to protect supplies for domestic users. The reason for this is that as large natural gas trains come on line in Northern Queensland they are going to be sucking up natural gas from right around the east coast and leaving domestic users, particularly manufacturers on the east coast of Australia, with a potential shortage of supplies and a doubling of prices. So whilst we are considering legislation which is about the efficient allocation of rights to explore our petroleum resources, we should also be considering policies and legislation before this House which deal with this impending crisis.

We are facing a situation where natural gas prices for domestic users could double by 2020. We have had a lot of hue and cry about the impact of a carbon price on electricity bills. All I can say is that domestic users have seen nothing yet. If we are going to address the impact on domestic manufacturers and householders, particularly in the eastern states, of soaring energy prices, then we are negligent unless we address this impending crisis.

It is not just me saying this; it is the large retailers of natural gas supplies in the eastern states and the large manufacturers as well. According to the managing director of New South Wales's largest gas supplier, AGL, when Gladstone comes online:

Gladstone is going to be like a giant vacuum cleaner for the East Coast gas market hoovering up all the gas it can get its hands on.

And they predict that natural gas prices are going to double for energy users on the east coast of Australia—potentially, further driving manufacturers offshore and seeing people switch from clean or relatively clean sources of energy such as natural gas back to electricity. As many manufacturers have told me, they have done the right thing in reducing their carbon footprint by switching from coal to natural gas, and unless this issue is addressed they will be switching back to coal—not because they want to, but because the market will drive them that
way. So if we are going to consider legislation that deals with our future energy security and ensure that we are benefiting all Australians with the wealth of natural resources that we have, then we should also be considering these important issues.

I do not want to see this situation for consumers in my state of New South Wales. I see the member for Paterson over there; he should be equally concerned about the potential impact on manufacturers and households in his electorate. I know he has had a lot to say about the impact of carbon pricing on power bills for businesses and households in his electorate. He should be worried sick about the impact on businesses in his electorate of a doubling in gas prices because of a failure of governments to address this impending crisis. It is within our gift to do it, and it is no wonder that the large manufacturing businesses in this country have formed an alliance to lobby all sides of parliament to do something about this issue. They are deeply concerned that a failure of policy in this area will see manufacturers go offshore.

*Government members interjecting—*

Mr STEPHEN JONES: I am asked by the members opposite what I did when I was sitting on the other side of the House. I was the only member who brought this matter before parliament, and I did not enjoy any support from members opposite when I brought this before parliament as a private member's matter. I enjoyed no support from members opposite on this particular issue. There were declaratory cries and crocodile tears but no support and no action. Now you have the opportunity to do something about it. You have retailers and manufacturers crying out for action on this issue. You are now in government. It is time to act like a government and not like an opposition and address this impending crisis.

So I welcome the fact that you have picked up one of the bills prepared by Labor when we were in government to address the efficient allocation of exploration licences in the petroleum industry, but the job cannot stop there. If we are going to address energy security in this country then we cannot take our eye off the main game. It strikes Australians as bizarre that we are one of the world's wealthiest nations when it comes to natural gas resources yet we are going to be paying one of the highest prices for natural gas in this country, not because we have to but because of a deliberate policy by government to ensure that Australians pay some of the highest prices for natural gas in the world.

I commend the bill to the House. I think it is good legislation, but if members of this House are truly interested in ensuring that Australians reap the benefits of our bountiful supplies of energy then we have to address these impending crises, and I see no action at the moment. I see a big cry from industry. I see a big cry from gas suppliers saying, 'Complete the picture; do something about this.' So I call upon those opposite to do something about it, and you will enjoy support at least from this member of parliament in any efforts that you are able to make to ensure that businesses and households in my electorate and the adjoining electorates are not faced with some of the world's highest gas prices. While those opposite are whinging about the modest impact of a carbon price, they are taking their eye off the main game, and that main game is the price of gas in this country. I commend the legislation to the House.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (11:08): I rise to provide the closing arguments on the Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013 and the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013. Every year the Australian government releases offshore exploration acreage for competitive bidding. The areas released
are selected to offer the global petroleum exploration industry a variety of investment opportunities. The regular release of acreage ensures that Australia has a pipeline of exploration investment opportunities—an essential component of Australia's retaining its attractiveness as a premier investment destination for the oil and gas industry.

Currently, the Australian offshore acreage is allocated through a competitive work-bidding system, essentially, a tender system, whereby exploration acreage is awarded to those who will undertake the most comprehensive program of exploration. The system has served Australia's interests well to date and will continue to do so in the future for frontier area basins where the geology is less understood.

However the inclusion of cash bidding starting in the 2014 offshore exploration acreage as an additional method of exploration permit allocation in mature areas or those known to contain petroleum accumulations, is intended to prevent over-exploration where none or little may be required and to ensure the release of these areas continues to be equitable, economic and efficient. To enable this, the minister, Minister Macfarlane, introduced this bill containing amendments to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to optimise the existing cash-bidding system in respect of both efficiency and administrative integrity by setting a reserve price in advance of bids being received, which will help to ensure the government does not sell the right to explore below its value and ensuring a return to the Australian community. It requires prequalification of bidders to ensure that eligible bidders have the requisite technical and financial capacity, encouraging serious and genuine bidding through the requirement to pay a 10 per cent deposit together with a placement of a cash bid, and specifying nondiscretionary tie-breaker mechanisms.

The member for Makin asked whether there is an appeal mechanism for bidders if they are assessed as unsuitable. Our response to that is that the Administrative Decisions (Judicial Review) Act applies in this situation. The technical and financial assessments undertaken for cash bidding are the same as those taken for the existing work-program bidding for exploration permits.

Turning my attention to the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013, the Australian government recently announced its intention to include cash bidding in the 2014 offshore exploration acreage release as an alternative method of exploration permit allocation in relation to mature areas or those known to contain certain petroleum accumulations. The inclusion of cash bidding as an alternative to work-program bidding is intended to prevent over-exploration where none or little may be required, while ensuring that the release of these areas continues to be equitable, economic and efficient. To enable this, Minister Macfarlane introduced some amendments to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to optimise the existing cash-bidding system.

The National Offshore Petroleum Titles Administrator performs an important function in Australia's offshore petroleum regulatory regime through assisting and advising the joint authority and the minister, the responsible Commonwealth minister, on the award of titles as well as managing the ongoing titles administration function, including keeping a register of titles and data and information management. This bill amends the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003 to allow the National Offshore Petroleum Titles Administrator to cost-recover for its annual titles administration activities in
relation to cash-bid petroleum experts. We appreciate the contributions of the members opposite and we commend this bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

**Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

**Rural Research and Development Legislation Amendment Bill 2013**

**Primary Industries (Excise) Levies Amendment Bill 2013**

**Primary Industries (Customs) Charges Amendment Bill 2013**

**Second Reading**

Cognate debate.

Debate resumed on the motion:

That this bill be read a second time.

**Ms HALL (Shortland—Opposition Whip) (11:15):** As a person who has her roots in rural New South Wales, and whose husband had his roots in rural New South Wales and attended Hurlstone Agriculture College, and as a person who now has extended family who live and farm within rural New South Wales, I can appreciate the importance of the legislation that we have before us today. The Rural Research and Development Legislation Amendment Bill 2013, the Primary Industries (Excise) Levies Amendment Bill 2013 and the Primary Industries (Customs) Charges Amendment Bill 2013 are very important pieces of legislation that will amend 10 acts in the agricultural portfolio to improve the efficiency, transparency and accountability of rural research and development corporations, which I will refer to as RDCs during the remaining part of my contribution.

The bill changes arrangements to allow statutory research and development corporations to undertake marketing activities provided that the relevant funding levy in respect of the corporation includes a marketing component. That marketing component is really important. The bill also changes the framework for selection committees to fill board positions for statutory RDCs. The two companion bills allow primary industry charges, fees or duties to be charged without the need to amend legislation. They will enable changes to the rates, charges, fees or duties, providing the industry services body generally, an RDC, or a body declared by the minister, recommends the changes to the minister. It allows primary industry levies to be charged by regulations provided by the industry services body or bodies declared by the
minister. That may be a slight worry for me but I am prepared to accept it in relation to the bill as a whole.

I think it is important to note here—obviously the opposition is supporting this legislation—that versions of this bill were first introduced into the parliament on 19 June, prior to the election. The bills passed the House of Representatives but had not passed the Senate prior to the election being called. So the bills lapsed despite the fact that they had been passed by the House of Representatives.

I feel that this legislation is very significant to the primary sector of our economy. It is important that research is undertaken so that primary industry can keep at the forefront, compared to primary industry throughout the world. It is only through research that we can increase productivity and ensure crop security. This legislation will promote research and development—something that is needed not only in primary industry but in all industries.

In the shadow minister's area there is a very strong winemaking industry, and he knows the important role research plays in the ongoing development of that industry—as I think all members on this side of the parliament do. It is only through looking at new methods and new ways to produce within the primary industry that we can actually improve and ensure food security into the future.

The Rural Research and Development Legislation Amendment Bill updates and refines the Australian Research and Development Corporation in line with policy commitments made by the Labor government prior to the last election in the rural research and development policy that we made some years ago. So we really welcome the fact that the now government has picked up on work that has been done over a long time by Labor, because Labor recognises how important rural research is. That was shown in that rural research and development policy statement many years ago. In preparing that policy Labor met and consulted with stakeholders around Australia and took into account many submissions. Consultation continued in the process leading to the legislative amendments that we have before us today.

One thing that we believed strongly in when in government—and that we believe strongly in now—is that you must consult with industry stakeholders and people within various sectors of the community. It is only by extensive consultation that you can develop legislation that will meet the needs of all those stakeholders, that will meet the needs of the sector and that will meet the needs of our economy and lead to a growing and strong economy. In this particular case, primary industry plays a very big role. That is a very important aspect of this legislation.

The bill allows statutory RDCs to carry out marketing activities on behalf of their industry if a marketing levy is in place. Once again, it is all about the development of research and, once that research has developed, being able to market it and being able to develop strong industries. We on this side of the House see that that is a priority and we strongly encourage that to take place.

I also put before the House that there are no changes to levy rates or new levies in these amendments. The amendments will encourage private sector investment in rural R&D by extending to all RDCs the arrangements for government matching funding to voluntary contributions for eligible research and development. I think this is once again a very important component of the legislation. It is imperative that government encourage public
sector investment. That means that the government must engage with industry, must engage with the private sector and must not put barriers in place to the private sector's investing in the primary industry sector.

I just look at some of the decisions that have been taken in recent times. The government has said that it is open for business, but if it is open for business it really needs to engage with the private sector and encourage that to invest—to invest particularly in R&D, which will lead to the growth of our private sector.

Statutory funding agreements for statutory RDCs are proposed to guide performance improvements and to increase transparency in the delivery of R&D services. I have always been very committed to ensuring that we have transparency in all areas of government. The consultation that took place under Labor led to the development of legislation that I believe is quite transparent, but in the implementation of that legislation we need to make sure that there is transparency. So it is important that funding agreements—and any agreements that are entered into—are very transparent. Funding agreements have been a flexible mechanism for providing government guidance and oversight to industry owned RDCs, and these amendments will extend the mechanism to statutory RDCs.

The bill changes the process for the selection of statutory RDC board directors to improve transparency and efficiency. Once again, this is very important—there needs to be transparency in the way appointments are made to boards. I would encourage the government to extend that transparency not only to RDC boards but to all boards. Appointments to boards should be based on merit and on the fact that people who are appointed to those boards are actually bringing something to the board that will be beneficial to the industry or the sector. It is imperative that these are not just places where your mates are installed. It is really important that we have boards that have directors who are of a high quality and that this is done in a very transparent way. The amendments promote due consideration of the diversity of that selection process, so once again the selection process, as well as being transparent, will encourage diversity. They aim to ensure that high-quality boards are in place for RDCs, and to reduce the time associated with securing them.

The bill proposes to allow the collection and matching of individual fishery industry levies, subject to a cap based on the gross value of production of that individual fishery. Once again, this is a very important aspect of this legislation. It allows specific fisheries to propose levies to invest in R&D for their industry and to undertake marketing in a similar way to other rural commodities. There has been considerable interest in the fishery industry, in ensuring its sustainability and that we have adequate fishing stocks. I see that investment in R&D in fisheries is very important to ensure the sustainability of that industry.

The burdensome requirements for ministerial approval of statutory RDCs' annual operating plans will be removed and some other minor technical matters will be addressed. The Primary Industries (Excise) Levies Amendment Bill 2013 removes the maximum levy rates for research and development and marketing levies on primary products. Once again, this is very important to encourage research and to encourage the growth of our primary sector. The Primary Industries (Customs) Charges Amendment Bill 2013, which is the other of the cognate bills, removes the maximum charge rates for R&D and marketing requirements. Numerical maximum levies and rates will be removed, and rates will be limited to no more
than the levies recommended. The changes that will take place to the levies associated with this legislation will, I think, benefit the industry enormously.

In closing I would like to say that I support this legislation and that I emphasise the importance of research and development, and of primary industry and its sustainability into the future. So I recommend this legislation to the House.

Ms MARINO (Forrest—Government Whip) (11:30): This bill, the Rural Research and Development Legislation Amendment Bill 2013, amends eight acts in the Agriculture, Fisheries and Forestry portfolio to improve the efficiency, transparency and accountability of the rural research and development corporations. These were established under the Primary Industries and Energy Research and Development Act 1989 to provide research and development services or, as they are commonly known, research and extension services. They are vital to maintaining Australian primary producers as world-leading and ultracompetitive in international markets, particularly those markets where there is no level playing field for our domestic producers—the markets that are dominated by internal tariff and subsidy protections, the markets that Australian farmers have been competing in, or trying to compete in, for many years as well as competing in the Australian market against those same tariff- and subsidy-protected imports. In spite of a 50 per cent fall in agricultural terms of trade since 1960, Australian farmers have tripled their production and quadrupled the real gross value of their produce.

As one of those farmers myself, I cannot tell you how appalled I have been by the dreadful ignorance of the Labor Party’s Paul Howes when he said, of this world-leading industry:

… ma and pa farming in Australia needs to end.

I have just outlined what type of industry it is. Yet these are the comments of the Labor-union party: ‘Ma and pa farming in Australia needs to end!’ This is, without any question, arrogant and ignorant and short-sighted. It displays no idea, no respect at all, and in fact a complete contempt for the people who feed Mr Howes every day of the week. Clearly, Mr Howes is, like those on the other side, a self-proclaimed expert in the field, and this also shows a complete contempt for rural and regional Australians and Australia, contempt for family farmers and contempt for small business people. That is what mum-and-dad farms are in Australia—small businesses. Clearly, though, according to Paul Howes and the unions, family farms and small businesses have no future; only corporates need apply. What an absolute indictment on Paul Howes and the unions! I am proud to speak for small farmers, for small businesses, for those who work day in and day out in the properties around this country. And I, unlike those on the other side, like to treat them with respect.

Research and development and technology have assisted farmers—the farmers who have to produce more with less. That is what R&D does. We are compelled to produce more with less: with less water, with less land and with less environmental impact. These are the farmers, over 90 per cent of them, who work in the natural resource management field, in land care. That is why continuous innovation, underpinned by pertinent and high-quality research, is basically the only tool Australian producers have to maintain our competitive, profitable and sustainable industries, and the regional communities that depend on them—something that Mr Howes clearly forgot or did not understand. Of course, innovation is also critical to the Australian economy and our capacity to maximise future export opportunities.
I am pleased that our side will inject over the forward estimates another $100 million into rural RDCs. There are 15 of them—five statutory and 10 industry owned—and they support a wide range of rural industries. Through them primary producers themselves actually directly invest in research and development. They understand really well why they need to do so—helping themselves and helping Australia. Like all industries, it is essential that the agricultural sector invests in its own future.

With the development of an RDC the respective industry has the capacity to set up and collect levies paid by its own members. The government helps this process by doing the collection and passing on the proceeds after recovering costs. To encourage producers to invest in their own productivity and to support the industries themselves the government actually matches the corporation's eligible R&D up to legislated limits.

The national interest demands a healthy, positive agricultural sector. A healthy agricultural sector requires farmers to be both competitive and profitable. Consumers benefit from this with improved quality products, greater choice, better information and safety. Biosecurity is very important to farmers.

There are approximately 134,000 mum-and-dad-style farm businesses in Australia. They produce 93 per cent of Australia's daily domestic food supply. Mr Howes clearly takes that food for granted and thinks that mum-and-dad farmers do not produce terribly well. There are about 300,000 people directly employed in agriculture and over 1.6 million employed in food and fibre production, processing, distribution and marketing. Farmers themselves contribute about $48.7 billion, or three per cent, to Australia's total gross domestic product.

During the global financial crisis it was the exporting primary sector that clearly kept Australia out of technical recession. We did not hear about that much at all. I do not think I can recall the other side mentioning in all of the debates that it was the strong primary and agricultural export sector that kept us out of technical recession. Again there was an underestimation and lack of respect for the sector.

Australian farmers, no matter what they have had to face—and there is no question that farm profits have been squeezed in recent years—have responded. They have remained internationally competitive through efficiencies and productivity growth. They have looked at their own business and their own industry and taken advantage of what has been provided through R&D and applied it. They are at the cutting edge. Productivity growth in Australian ag has been very strong when compared to a whole lot of other sectors and compared to other OECD countries. It has increased steadily from 1974 to 2003-04 at an average rate of 2.8 per cent. The industry consistently outperformed—to the point of doubling—other sectors. We hear a lot about a whole lot of other industries in this place. We very rarely hear about this one, certainly not from the other side. The average growth rate was 2.8 per cent. Without this growth the gross value of production in the ag sector would be $12 billion a year rather than the current more than $40 billion a year.

So the farmers have got on with the job and R&D is a key part of that. What has concerned me in recent times is that productivity growth has slowed to one per cent per annum, highlighting the need for research and development to ensure that the industry can continue to grow and develop. You need a focus on R&D. It takes time to come through to be proven and to be applied. Farmers will apply it. We have proven it year upon year. That is why our increased funding—the $100 million over the forward estimates—will be important. It may
not be important tomorrow, but it will keep us competitive five, 10, 15 and 20 years out. That is what this commitment will do.

In 2011 the Productivity Commission and the Rural Research and Development Council reported on this system in Australia. The commission and council acknowledged the strong foundations and recommended some improvements. There were consultations held. A number of actions, particularly in marketing, were recommended. This really is an important component of industry bodies. Wherever Australian farmers are marketing their products, they never assume that their products are wanted and that they are simply going to take them. We have to get out there and continue to market our product and our industry. It is a critical thing. But we have a great story to tell. We should never be afraid of telling the story of Australian farming and the quality of our products.

We need to tell consumers, no matter whether they are in Australia or overseas, about product safety and the nutritional and other production values. When I was involved in the dairy industry through the Australian Dairy Corporation, as it was at the time, Bob Snewin did a lot of international and domestic marketing. That took a number of forms. It kept the market and the consumer very well aware of exactly what the products were, their health benefits, and a whole range of other issues surrounding the actual umbrella side of the product itself. We need to commit ourselves to marketing great products. When I have been out and about I have heard people speak of other countries in which people know of the quality and safety of our products. This is a great story for us to be telling, and we should be out there promoting that strongly at every opportunity we have to increase our market reach.

But our R&D funding should actually equate to practical results down at the grassroots level. We have heard a little bit about some of the robotic improvements in the dairy industry. We have heard about improved pastures and, for the benefit of those perhaps like Mr Howes, who does not understand what skills are required to be a farmer, how to use the carbohydrates to produce the fat and protein in the milk, which are the components that farmers are paid for. There are around 99 different components in milk, all with a particular purpose and opportunity.

We have seen investment in water-use efficiency. That comes as a result of this R&D. We have also seen investment in energy-use efficiency. That comes down to the farm level. But the investment in biosecurity is one of our most critical assets and one of our greatest selling tools. These investments are basically related to NRM and Landcare.

The bill will make matching funding for voluntary contributions to R&D fairer by allowing the extension of the arrangements to all R&D corporations. However, it will be limited by a cap. The matching voluntary contributions in R&D should encourage supply chain partners to work with industry on issues of common interest, and they are of common interest for various reasons.

We know throughout our sector that, if all sectors of the supply and value chain are not efficient and not making commercial profits, the whole supply chain itself is not sustainable. That is why investment in R&D provides benefits all the way through.

Also, it is important to streamline the appointment process for statutory R&D corporation boards. The membership, of course, tells us much about their potency. These boards with strong industry ties bring producers to them. Good leadership is always essential, as we know.
Moving to a couple of other amendments, I think some parts of the minister's role are equally important, such as the long-term strategy rather than day-to-day management—the micro-management at the federal level that we saw so much of from the previous government.

I want to finish by speaking about some of the industries in my electorate in the south-west of Western Australia that benefit from investment in R&D. We have everything: a dairy industry, a beef industry, a horticultural sector and a viticultural sector. All of these have to stay at the cutting edge. They will be very actively engaged in applying new advances in technology in any form of R&D. These are applied quickly. If one farmer is able to achieve results generally and if it is proved that it works—which frequently is the case—they go, and the whole district picks that up and moves with it and it lifts every boat, if you want to put it that way. As I have said, farmers have never ever sat back and waited. They are always looking for the next opportunity: 'How do I improve my productivity? How do I lessen my cost? How do I deliver what the market is demanding?' That is where the R&D component assists them and that is why it needs to continue to provide that. That is why I am pleased that we on this side, unlike those on the other side, have committed to increasing the funding for R&D over the forward estimates. I support this bill.

Ms OWENS (Parramatta) (11:45): I am pleased to stand to speak on the Rural Research and Development Legislation Amendment Bill 2013 and the two accompanying bills, the Primary Industries (Excise) Levies Amendment Bill 2013 and the Primary Industries (Customs) Charges Amendment Bill 2013. I am pleased in particular because these bills build on a strong foundation that allows our rural industries to in many ways manage their own future through research and development and innovation. They improve the framework which allows them to cooperate and to address issues in their sector and to help them, through their own actions, to ensure improved profitability and viability into the future.

The member for Forrest talked quite a bit about people who may or may not understand the life and experience of people who live on the land, and in any parliament you will find people who have not lived one life or another. We have maybe a few people in this parliament that have actually lived the life of a parent of a child with a disability. We have a few people that have lived on the land. We have a few people that have been long-haul truck drivers. There are at least two musicians, of which I am one. In any field that we talk about in this place there will be a small number of people with firsthand experience and many others who do not have it.

One of the joys in this bill relates to the approach that Labor governments have taken, because this is actually a Labor government initiative from back in 1989 and is also a Labor initiative now. One of the things that is most impressive about this approach is that it is an arm's length one that allows people who know the sector to make decisions for themselves and then be supported by government. When I was first elected in 2004 I realised very quickly—in fact, I realised this as a candidate and I am sure everyone here has had the same experience—that you meet the best people in this job. Whatever people tell you about our community suffering and about our young people, I know that when you get to be a member of parliament the people that walk in through your door are some of the most extraordinary people around. So you learn very quickly that you would not be the worst member of parliament in the world if all you did was find people who wanted to do good things and helped them. If you did not have a single idea of your own except that one—that when good
people who have good ideas and are prepared to do the work come to your office you help them do it—you would finish your three years having made an extraordinary difference in your community. In many ways that is what this bill is about. It is building on a decision way back in 1989 to hand responsibility for their future back to the people who could make it work, which was those in the rural industries themselves.

Back in 1989 it was John Kerin and the Hawke government that established the research and development corporation model. It is a unique one in the world and it is highly regarded, as we heard the member for Forrest say just a few minutes ago. RDCs were established under the Primary Industries and Energy Research and Development Act 1989 and for 24 years that act has been the mechanism for R&D money to flow through the rural sector, both from those in the sector's own contributions through their levies and from matched government funding. This bill that we are looking at today improves that process quite considerably, and it also is a Labor bill so again I am pleased to be standing as a member of the now Labor opposition having been a member of the Labor government when this bill was drafted earlier in the year.

There are extraordinary opportunities in the rural sector in Australia. I do not live in it as I do not live on the land although I spend a lot of time travelling through it. In fact, I make it business of mine to spend as much time as I can in our small towns not just because I think we should know about them but because I actually love them.

So I spend a lot of time in the rural parts of Australia. And it is quite clear that there are incredible opportunities for Australian agriculture and rural industries. As a nation we need to care that people in those sectors can actually do as well as they can—for a start, because like other businesses they have invested their money and we should care that people who invest their own money do as well as they can; but also because so much of it deals with food, and food is very much the stuff of life, as we heard the member for Forrest say.

When you look at the world there are many opportunities for our expertise to be used, not just to solve some of the problems we face in terms of food security in the world but also to use our expertise, both on the ground in growing markets—to literally export our businesses and our expertise—and to supply developing markets across the world in a whole range of foods that we do not actually invest in.

I look at my African community, for example, that has arrived in Parramatta recently. Most of them are farmers. I am not quite sure why some of them are living in Parramatta—I am not sure they have found their way to the places where their skills are really needed yet. But so many of them are farmers and their skills are in crops that we have not yet seen in Australia yet—over 50 varieties of potato, for example. These are incredible new crops that new and developing markets will want. And the expertise in Australia in efficiently producing good-quality, safe food, which is free of the worst of the toxins and the pesticides that you find in food elsewhere in the world, cannot be underestimated.

It was a great tragedy, I think, that through the eighties, nineties and what are known as the naughties, Australia gave up on some of its food processing so easily. Short-term problems with the Australian dollar and serious problems with drought, for example, which put our industries under incredible pressure, led us as a nation to in some cases abandon our rural neighbours and give up on what should be one of Australia's great growth sectors. As the middle-classes grow in India and China, they are going to want what I want and that most
people in this place want. They are going to want to know that their food is clean and safe and fresh and contains the nutrients that they need.

As we see population growth around the world, and growing pressure on food supplies, we see issues of hidden hunger, we see people who have enough to eat but where the food is lacking in the appropriate nutrition. That is a problem we see growing in Europe and in most developing countries. So, again, the expertise in the Australian market in addressing some of these issues is phenomenal and we should be a world leader in this area. It is actually up to all of us to understand the value, not just in the industries as they are but in their potential, and get behind them and ensure that we are where we should be in what has been and is one of our most important, innovative and resilient sectors.

The history of this, as I have said, dates back to 1989. There was ad hoc support for R&D before that, but that was the point at which the system that we currently use to support R&D in the rural sector was developed. There are currently 15 of what are called RDCs—six statutory ones and nine industry owned ones—providing services to a diverse range or rural industries. They effectively provide a mechanism for industry to invest collectively in research and development—in other words, to map out their own paths as they see their own needs. The Australian government assists these industries by establishing a levy for the industry, and collecting it if the industry so requests, and then returning those funds to the relevant RDC less the cost of collection. In addition to that, the government matches the RDCs' eligible R&D spending up to legislated limits. In other words, an industry that decides that it needs to invest in R&D or innovation and which decides as an industry that it wants a levy can ask the government to collect that levy and pass the levy over, less costs. Then up to a cap the government matches the contribution of the industry. Again, that is a very good model that puts the control in the sector itself. As I said earlier, it allows a government to support good people who are doing good things in the way that governments can. It is a very interesting and quite effective model.

Back in 2011 there was a Productivity Commission review into this, and a number of suggestions were made. There was extensive consultation on it and a number of changes were recommended. These amendments actually carry through eight acts of parliament, and I am just going to read them because it gives a sense of how broad these sectors are. The eight acts that have to be amended here include: the Primary Industries and Energy Research and Development Act 1989, the Pig Industry Act 2001, the Dairy Produce Act 1986, the Egg Industry Service Provision Act 2002, the Wool Services Privatisation Act 2000, the Forestry Marketing and Research and Development Services Act 2007, the Horticultural Marketing and Research Development Services Act 2000 and the Australian Meat and Live-stock Industry Act 1997.

One of the changes is in schedule 8 of the bill and it amends various acts to allow statutory RDCs to undertake marketing activities where requested by the industry. Industry owned RDCs can already do that, and the government does collect the levies where the industry decides that they wish them to be collected. But the government does not match those contributions for marketing, it only matches contributions for R&D. This amendment extends that capacity to statutory RDCs—again, currently only the industry owned ones can do that.
Schedule 5 of the bill amends six of the acts to enable the Commonwealth to match voluntary contributions to the RDCs. Because this has been such a successful program and so many people in the industry can see the benefits of making these contributions, there are actually considerable voluntary contributions as well. This amendment allows the Commonwealth to match voluntary contributions up to the existing cap, which for each industry sector is based on the gross value of production for that industry.

It also removes a couple of red tape-style provisions of the act. Schedule 9 of the bill will repeal section 26 of one of the acts so that statutory RDCs will no longer be required to submit their annual operating plans to the minister for approval. It was clear that it was becoming an unnecessary burden for both the RDC and the minister to actually review the operating plans on an annual basis. It also streamlines the appointment of RDC board members so that five board members will be appointed on a five-year basis with a number of suitable candidates on a reserve list so that unplanned board vacancies can be filled over the following 12-month period. Those two amendments are really about taking out some of the unnecessary red tape, which is always a good thing, and allowing these organisations to get on with what they do.

Another rather important change is that currently industries are levied on their request for an industry as a whole. But in the fisheries industry, for example, it would be quite useful to deal with subgroups within the industry from time to time. For example, the prawning industry already has a marketing strategy in place, which is quite separate. Schedule 4 of the bill amends the PIERD Act to allow for subsections of an industry to have a levy collected. It creates a new section to enable a statutory levy on an individual fishery industry sector to be collected if established by that industry sector. Then, of course, that levy will be matched also by the government up to the appropriate cap. Again, in an industry like fisheries, where some sections of it are so different from others, it is an important change.

These are quite interesting bills that deal with an incredibly important part of the Australian industry, a sector that have been managing their own R&D effectively since way back in 1989. It improves their capacity to do so and it removes some of the regulatory burdens associated with the activities of these all important RDCs. I commend these bills to the House.

Dr STONE (Murray) (12:00): I too rise to speak on the Rural Research and Development Legislation Amendment Bill 2013, the Primary Industries (Excise) Levies Amendment Bill 2013 and the Primary Industries (Customs) Charges Amendment Bill 2013. I am pleased that this cluster of bills are receiving bipartisan support. I always find it very interesting when members of the opposition, who until very recently were the government, talk about how wonderful agriculture is given that they presided over some of the worst attacks upon agricultural sustainability and survival that we have seen. I include, and I will refer to it again later, South Australia's Senator Penny Wong's decision, as the then minister for the environment, to go into the irrigators' market and buy irrigation water off farmers in the heat of the worst drought on record. Those farmers were desperately poor at the time and were trying to survive—trying to put food on their own tables; trying to rescue their own herds—and so they sold their water to an environmental water holder, which now has so much water in its environmental bucket that it does not know what to do with it. The outcome of that decision to simply plunder the irrigators' market rather than investing in on-farm irrigation
water use efficiency has left us with only half of the high security irrigation water left in
northern Victoria.

We now have a situation where these bills can help fix things. Minister Barnaby Joyce
said:
The statutory RDCs—or rural development corporations—will be able to undertake collective
marketing using industry-raised funds. For example the Fisheries Research and Development
Corporation will be able to promote Australian prawns, if the industry requests this.
I personally believe our various industries should also consider very carefully levying the
importers of various food products who will also benefit from any Australia-based marketing
effort.

The minister also said:
The legislation will also provide industries with greater freedom to amend their levy and charge rates in
response to changing circumstances such as seasonal market issues.
And finally, he said:
These bills will make statutory RDCs more efficient and transparent through statutory funding
agreements and streamlined board selection processes.
So these are good bills, and they are already supported by the Abbott government's
commitment to provide an additional $100 million in funding for agricultural research and
development. These bills are fundamentally about how to increase the current levels of
investment, whether from the private sector or the public sector, in agricultural research and
development efforts in this country. Without that investment we will stall as a nation in terms
of our capacity to take advantage of the so-called 'dining boom' that the former minister for
agriculture, the member for Hunter, referred to in his remarks on these bills a short time ago.

It is both tantalising and depressing for farmers when they are reminded that after the
mining boom comes a dining boom. They would love to imagine that that was going to be
something that occurred seamlessly in their own lifetimes. Unfortunately, there are so many
barriers and impediments—the natural resource fluctuations in this country, the seasonal
variations and, thrown at them every day, the invasive and often out-of-control state, local and
federal government bureaucracy and regulation. The red tape accumulated in particular under
the last government, and one of the key outcomes we will be able to deliver under the Tony
Abbott-led government is a reduction in the red tape that kills farmers' capacity to innovate or
to take advantage of our superb soils and climates and that could kill the potential to exploit
new markets in the dining boom.

We are among the world's most effective and efficient innovators in agriculture. We are the
world's leaders in arid zone wheat growing. We developed techniques which have us growing
wheat where in other countries you would simply look at the flowing sand dunes. This is
where we have done extraordinary work in wheat seed breeding. A lot of that seed breeding
was undertaken by state governments, particularly in Western Australia and South Australia
but also in Victoria. Very sadly, most of those state-supported seed-breeding stations are no
longer, as the states almost universally have pulled back from supporting research and
development in agriculture and have instead presided over the closing of a lot of research
stations and extension efforts. It has become so serious that now, as I face a crisis in my electorate with the attack upon our last Australian fruit-preserving company, we find that, when we turn to the state government asking for them to give us some ideas about alternative crops, they throw up their hands and say, 'Sorry, we've just sacked our last agricultural scientist, and of course we've closed our local research stations or they've been sold to the Chinese.'

So we have a serious problem in this country in terms of how to have an appropriate level of research and development undertaken. As I said, we are some of the world's biggest innovators in increasing agricultural productivity and introducing new crops and genetics. We have, for example, developed some of the world's most productive rice growing, and now we are moving into more areas where we might grow rice in drier conditions, not the traditional flooded rice paddies. We have some of the highest rice outputs per hectare in the world. We are also some of the world's highest producing field tomato growers. In my electorate of Murray, it has been sad to see our 20 or more field tomato growers decline to just two or three, but those two or three are still benchmarked as amongst the world's most creative and productive.

We in Australia pioneered what are traditionally called flood irrigation techniques—I would call them gravity-fed irrigation techniques, because 'flood' implies that the water is out of control or that somehow it might not be environmentally sustainable. In fact, our gravity-fed irrigation systems, particularly in northern Victoria and southern New South Wales, are some of the oldest in the country—over 130 years old in the case of the Victorian Goulburn-Murray water system—but they have used innovative laser grading technologies, re-use systems and solar-powered measurement systems to the point where they are now some of the lowest energy users to produce some of the most environmentally sustainable irrigation. The only thing killing them now is the cost of that water.

We are also one of the few countries left that have managed to hang onto their honey industry with healthy hives. Most of our competitors are now buying hives from Australia because of the deaths of their hives as they are exposed to their diseases and their inappropriate chemical use regimes on their orchards, but in Australia we still have—I would hope more through deliberate action than through good luck—the world's most sustainable, healthy and disease-free hives. The bee pollination services are worth hundreds of millions of dollars to our orchard and horticultural industries. Our research and development needs to continue to focus on how we keep our Australian hives disease free.

In Tasmania and South Australia we have some of the most sustainable and healthy wild fisheries, but we also have some of the world's most sustainable and disease-free farmed fish or aquaculture industries. Again, this is not simply due to good fortune; it is because of research and development, very often as a consequence of private research and development investment. We can stand tall and proud in not having diseases like the twirling disease affecting our Tasmanian salmon. We have extraordinarily successful aquaculture enterprise—particularly, as I said, off South Australia—yet ironically we now import more than 80 per cent of the fish that is consumed in Australia.

So we are a country of quite extraordinary contradictions when it comes to our innovation, our effective agribusiness output, and our family farming—which, of course, Paul Howes has been snide about, implying somehow that 'ma and pa' farmers, as he calls them, are like Ma
and Pa Kettle or hillbillies from the Appalachians! Of course, what was behind Paul Howes's comments as a key mover and shaker in the Australian Workers' Union is that family farms typically do not have their labour unionised. They are not card-carrying members of his union, in particular. And wouldn't he love to have the landscape populated by factory farms and corporate farms where he could get his union membership completely infiltrated and make our labour even more regulated and less productive and efficient! But I will move on from Paul Howes's snide and calculatedly disparaging remarks about Ma and Pa Kettle farmers in Australia.

Our farmers are extraordinary in their capacity to survive some of the most wildly fluctuating seasons in any agribusiness focused country on the globe. We have managed to deal with pestilence, whether mouse plagues or locust plagues, and a whole range of threats. But the whole business of Australian agriculture is under threat, and ironically it is not because of mouse, locust, fox or rabbit plagues or pestilence—it is because of the duopoly of Coles and Woolworths.

Would you believe that if you are in a company like SPC Ardmona, or Heinz in Echuca, or Cedenco or Kagome, and you set about your research and development effort and, through your research and development investment, come up with a brilliant new product or perhaps a brilliant new variety of fruit or vegetable, and you put it on the shelves of Coles and Woolworths and they see it is a great seller, then within weeks you, as the owner of that new technology or recipe or packaging or process, can expect to get a call from Coles or Woolworths, who will say to you: 'We'll have that product, thank you. We'll have it at about the same size. We'll have a red cap instead of a blue cap on our home-brand generic version. And, by the way, we'll take it from you at 30 per cent less than we are paying you for your branded product. And, by the way, if you do not want to cooperate, you might find your branded product out the back somewhere near the toilets—or, indeed, we might find a very good reason why we don't carry your branded product at all'? So you can see that, if you do invest in research and development, as perhaps one of the few remaining food manufacturers in Australia, then you are up against it when it comes to the power of the big supermarket duopolies. And Aldi, unfortunately, is not far behind them in this.

Our government has recently ushered in the voluntary code for supermarkets to try and get less unconscionable behaviour and less flagrant use of their market power. Time will tell if those supermarkets realise that the writing is on the wall or if we have to move to a mandated code. But also, as a government that understands and cares, we will have a root-and-branch competition policy review. All of that, hopefully, will happen sooner rather than later and will, in turn, make a difference in research and development investment in our country, because, as I said a moment ago, if you come up with a new product in Australia, you have only weeks before that product is demanded as a no-name version on the big supermarkets' shelves. In the case of Heinz, when this happened to them with their tomato sauce factory at Girgarre, they threw up their hands and said: 'We're out of here; we're going to New Zealand—even though they do not grow manufacturing-variety tomatoes in New Zealand, it's easier for us to go to New Zealand, where we don't have these pressures. We will produce our fabulous tomato sauces elsewhere.'

So this bill talks about research and development: the need for it in Australia, and how we want to make it more efficient and effective, particularly in rural and regional areas in
agriculture. But, at the same time, we have got to acknowledge what constraints we are up against in terms of having proper investment within Australia itself. The states need to come back into the game. They need to reinvest in research and development.

When Labor closed those generations-old CSIRO research stations in the electorate of Mallee along the Murray River, killing off literally hundreds of years of continuous data on what had been grown and how it had responded to different climatic conditions, that was a tragedy. That was a death blow to some of our local vineyards in terms of new varietal development. It makes us more dependent on imported or GMO products or patented products—seeds or genetics—where we lose control of the final output and where we end up paying royalties rather than giving our farmers a better return for the food or fibre that they produce.

I commend this bill to the House. It is a very important piece of legislation. It is noncontroversial in many ways but what it does is highlight that in this country research and development will have to be improved and expanded if we are to get near the potential or opportunities that the dining boom tantalisingly offers us.

**Mr Stephen Jones** (Throsby) (12:15): I am delighted to be speaking on the Rural Research and Development Legislation Amendment Bill 2013, along with the associated bills, the Primary Industries (Excise) Levies Amendment Bill 2013 and the Primary Industries (Customs) Charges Amendment Bill 2013.

As the member for Murray rightly points out, it enjoys support across the chamber. In fact a version of the bill was first introduced into the 43rd Parliament by the then government on 19 June this year. The bills did pass through the House of Representatives but unfortunately did not get through the Senate by the time the parliament was prorogued in August this year and, as a result, the bills lapsed. They now come before the House in substantially identical form to that which was presented before the 43rd Parliament.

It is important subject matter, important legislation, because it goes to food and our capacity to produce it not only now but also in the future. We know that Australia is presented with a great challenge but also a great opportunity when it comes to feeding the world and ensuring that we can meet the demand for a growing middle class, particularly in our region, and a growing demand for our food, particularly our protein related agriculture.

The Rural Research and Development Legislation Amendment Bill updates and refines the Australian Research and Development Corporation model, the RDC model, in line with policy commitments made by the then Labor government in the Rural Research and Development Policy Statement during the previous government’s term in office. In preparing the policy, the former government met and consulted with stakeholders around the country and took into account the many submissions and the interests of those groups. Extensive consultations continued in the process, leading to these legislative amendments before the House today.

In short, the bill will allow statutory RDCs to carry out marketing activities on behalf of their industries if a marketing levy is in place. RDCs undertaking marketing will be able to deliver their industry expertise to provide cost-effective and targeted marketing activities in accordance with industry needs and priorities. Importantly, as I have just said, this is about industry-led marketing initiatives building on the expertise and the research that is done by
these industry-led bodies. I do note that no charges to levies, rates or new levies are a part of these amendments. However there is capacity to increase levies in consultation with the industry and industry-led initiatives.

The amendments will encourage private sector investment into rural R&D by extending to all RDCs the arrangements for government matching funding to voluntary contributions for eligible research and development. Statutory funding agreements for statutory RDCs are proposed to drive performance improvements and increased transparency in the delivery of R&D services. Funding agreements have been a flexible mechanism for providing government guidance and oversight to industry-owned RDCs and these amendments will extend that mechanism to statutory RDCs.

The amendments promote due consideration of diversity in the selection process. The amendments aim to ensure high-quality boards for RDCs and reduce the time and delay associated with securing them. The bill proposes to allow the collection and matching of individual fishery industry levies subject to a cap based on the gross value of production of that individual fishery. This will allow specific fisheries to propose levies to invest in R&D for their industry and to undertake marketing in a similar way to other rural commodities.

The burdensome requirement for ministerial approval of statutory RDC's annual operating plans will be removed, and other minor technical matters have been addressed in the bills. The Primary Industries (Excise) Levies Amendment Bill 2013 removes the maximum levy rates for research and development, and marketing levies on primary industry products.

Similarly, the Primary Industries (Customs) Charges Amendment Bill 2013 removes the maximum charge rates for R&D and marketing changes that are duties of Customs. The numerical maximum levy and charge rates will be removed and the rates will be limited to no more than the level recommended by an industry body, following consultation with the levy and charge payers. The amendments will not change any levy or charge rates that are in operation at the moment. They will streamline the processes for changing the rates in the future. Levies and charges may be increased following a request by industry, but will not be allowed to be set above the rates recommended by industry. As I have said, this is an industry driven initiative. This will allow industries to manage their collective investment in research and marketing while also providing for a safeguard for levy payers against an arbitrary increase to rates.

As I said at the outset, the bills enjoy bipartisan support. They have their origins in the former government and they are informed by our general policy in relation to this area—one was set out by the former minister, Senator Ludwig, in his plan for the food industry into the future, cognisant of the fact that there is a growing world demand for food and, in particular, protein products, and that Australia is well placed to meet this growing global demand.

We know we face enormous productivity changes within the industries. We also know that we face enormous climate and environmental challenges within the industries. But I believe that Australian ingenuity, driven by industry based research and development, will enable us to overcome these challenges and will ensure that Australia and Australian producers are well placed not only to meet the food demands of our domestic markets but to reap the benefits of meeting the burgeoning demands of a growing middle class within our region and throughout the world. For these reasons, Labor supports the legislation and joins with the government in
hoping that they enjoy a swift passage through the House and through the other place as well. I commend the legislation to the House.

Mr HOGAN (Page) (12:22): I rise to speak on and support the Rural Research and Development Legislation Amendment Bill 2013 and the cognate bills, the Primary Industries (Excise) Levies Amendment Bill 2013 and Primary Industries (Customs) Charges Amendment Bill 2013. I welcome the government’s recognition of the importance of rural R&D, particularly in agriculture, fisheries and forestry, three very important industries in my electorate of Page. These three sectors provide more than five per cent of the jobs in the Northern Rivers, more than double the state average. In the township of Kyogle they account for 22 per cent of jobs, while in the Richmond Valley, where the Casino meatworks is a major employer, manufacturing makes up 20 per cent, of which 75 per cent is directly attributed to food manufacturing. However, in the five years to 2011, employment in agriculture has shrunk by more than three per cent. We have also seen major job losses and mill closures in the forestry sector over the same period. This may simply sound like dry statistics to some, but for my community it is about jobs and putting food on the family table, and this is why I am supporting this bill.

I am a farmer. Before, during and after the election I spoke to many other farmers about issues they confront on a daily basis. One thing that has come through loud and clear is that they are an innovative bunch and understand the importance of R&D in keeping their industries competitive, both domestically and internationally. They know they simply cannot stand still and that they must evolve and use best practice.

The same is true of our rural research and development corporations, which provide the mechanism for our primary sectors to invest collectively in services that will benefit their industries, such as R&D and sometimes marketing ones. These RDCs have an enviable record and the nation’s R&D model has served it extremely well. As another speaker has previously noted, over recent decades Australia’s rural productivity has increased at twice the rate of those of other Australian industries and has been driven by our rural R&D. For this reason alone it is time to give all the RDCs the necessary arsenal to see Australia through the 21st century and beyond—that is, the ability to provide marketing services if the industry wants it and is prepared to strike a levy to pay for it.

It is well known in regional Australia that the benefits of R&D far outweigh the costs, and I must say there is nothing better than good old Aussie ingenuity. Need somewhere to hang your clothes? An Aussie invents the ubiquitous Hills hoist. Want to mow your lawn? An Aussie invents the Victa. And, of course, when the world wanted the perfect eating apple, an Aussie came up with the Pink Lady. I could go on and on but I am sure you get the idea. Australians are good at thinking outside the box and at seeing things anew and finding innovative solutions. That is what our rural industries need, not bailouts but assistance in doing what we do best: doing things better than our competitors. This bill will encourage more private sector investment in RDCs by allowing the government to match funding for voluntary R&D contributions.

As I have said, agriculture, fisheries and forestry are the central planks of the economy that support the livelihood of the people of my electorate. Those industries face many challenges in the years and decades ahead—the ongoing effect of the high Australian dollar, a changing climate and intense global competition—yet I am proud to say the people of Page are
optimists. Instead of wallowing in despair and self-fulfilling defeat, they rise to any challenge and search for the opportunities—and there are many. As the Northern Rivers looks to become one of Australia's major food bowls, our fresh and processed produce is in increasing demand. The local food industry group, Northern Rivers Food, has also positioned some of our produce in the premium boutique end of the market thanks to a very successful marketing campaign. As Australia's and Asia's populations expand export opportunities abound but we must not be complacent. We must actively grab the future to make sure it happens.

Our R&D model must be updated to help Australian producers make the most of the opportunities when they present themselves. This has the added benefit of providing food security and keeping the sector profitable and sustainable. Let me give you a concrete example of how this bill will help the people of Page. During my maiden speech I made mention of the seaside communities of Ballina, Iluka and Yamba that are dotted along Page's 100 kilometres of coastline. As I am sure many members of this House will know, Ballina is the home of the Big Prawn. Indeed that recognition of the importance of the prawning industry is held so dear in our collective hearts that when it was proposed to knock it down a community campaign was waged and not only rated its own segment on the David Letterman show in the US but also led Bunnings to rebuild an even bigger prawn. Yet while we love our Big Prawn, the industry itself is under threat from international competition. Presently only 22 per cent of prawns in New South Wales are caught locally. The rest, sadly, are imported.

This brings me back to the bill. In anticipation of the amendment to allow statutory RDCs to undertake marketing, the Australian agricultural and wildcatch prawn industry have jointly explored the idea for a national prawn marketing campaign. Both groups have already made voluntary contributions to the Love Australian Prawns campaign being rolled out in retail and wholesale seafood stores, and here I must nod to Woolworths, which has put all of their merchandising in their supermarkets free of charge. So successful has this 'Australian-made' campaign been so far that the Ballina fishermen's co-op manager, Phil Hilliard, said they could not keep up with demand at last month's Ballina Prawn Festival and quickly sold out. Mr Hilliard and the rest of the prawn industry are keen to see this amendment passed as it will allow the industry to establish a statutory levy which in turn will allow the Fisheries Research and Development Corporation to undertake more marketing campaigns and help our prawn fishers increase their market share.

Allow me to turn my attention to another industry that I hold dear to my heart, and that is macadamias. The Northern Rivers are the home of the macadamia, Australia's only native nut. I cannot overstress the importance of this industry to the livelihoods of the people of Page. The combination of the macadamia's unique flavour, texture and heritage is a source of great pride among those in the industry and the wider community.

Hidden behind the windbreak trees on most of our country roads are vast orchards of macca trees, some with more than half a million trees. In 2012, 8,300 tonnes of macadamia kernels were sold, 5,300 tonnes of which were sent offshore, putting Australia's macadamias second to almonds on the list of the country's top tree nut exports, with a value of more than $120 million. The industry provides approximately $376 million of economic value to its local communities, represented by direct and indirect employment—sales of goods and services to the industry and the industry's direct sales.
The industry has a strong track record of innovation and adoption underpinned by arguably the best macadamia research and development program in the world. The macadamia has one of the highest investments in research and development relative to its GDP of any Australian horticultural industry, at more than $4 million annually. Export of Australia's native nut is on the rise, with production rapidly expanding backed by firm global demand. This is led by Asia, making home-grown macadamias one of the nation's top horticultural exports and unrivalled leaders in the world trade. Yet, there are competitors in the wings wanting to grab some of our market share. The industry must stay on the cutting edge to keep Australia at the forefront.

I also note a report on my local radio station, 2LM, this morning about two innovative field trials being undertaken by the tea-tree industry around Casino, which have been jointly funded by the industry, the Rural Industries Research and Development Corporation and the New South Wales Department of Primary Industry. DPI researcher Gary Baker said that by using plant cuttings they can yield the same oil concentration as from three- to four-year-old seedlings. He said that in the first year the cuttings should produce 40 per cent more yield than seedlings, which covers the extra costs associated with producing cuttings. After that increase, yield in years 2 and 3 is pure profit. The implications of this research could transform the industry.

Ballina Fishermens Co-op manager, Phil Hilliard, also spoke of the need to reduce red tape in the industry which, again, this bill addresses by removing the product-specific maximum levy rates. Put simply, this means that when an industry requests a change in the levy rate it can be done quickly and easily without changing the primary legislation. This will reduce the cost and delay when a sector decides to increase its investment in R&D and/or marketing. Nor will an RDC be required to seek ministerial approval for its annual operating plans, a time-consuming piece of red tape on both the government and the RDC.

I have said that Page has suffered the loss of hundreds of forestry jobs in recent years. I can only ponder what the local industry would have looked like today and how many people it would employ had these changes been brought in earlier. I say that because the forestry industry has long been reluctant to raise its general levy, as is its right. However, there has been much interest from businesses that want to invest in specific R&D projects. Under the changes, the government will be able to match voluntary contributions from businesses and thereby encourage more R&D, which could help turn the industry around.

Of course, when spending taxpayer money—even for a high return—we must always insist upon the highest level of transparency and accountability. This bill strikes the right balance by embedding these essential qualities while ensuring that RDCs are nimble enough to respond to changing industry and market conditions, ensuring their ongoing profitability and sustainability.

The transparency and accountability of the RDCs will be driven by such funding arrangements, which must be tabled in parliament and detail the RDCs' corporate governance and performance. The formulation of the arrangements will also allow the government to provide guidance on research priorities and the needs of the broader Australian rural sector. For the people of Page, the passage of this legislation cannot come fast enough.

Mr ZAPPIA (Makin) (12:35): I welcome the opportunity to briefly speak on the Rural Research and Development Legislation Amendment Bill 2013, the Primary Industries...
(Excise) Levies Amendment Bill 2013 and the Primary Industries (Customs) Charges Amendment Bill 2013. This first of these bills will amend 10 acts in the agricultural portfolio to improve the efficiency, transparency and accountability of the rural research and development corporations. The bill also changes the framework for the selection committees in filling board positions on statutory R&D corporations.

There are two companion bills, the Primary Industries (Excise) Levies Amendment Bill 2013 and the Primary Industries (Customs) Charges Amendment Bill 2013, which effectively eliminate the need for amending legislation to change the levies or fees being charged so that, in most cases, it will be possible for such changes to be made by regulation. So I welcome the changes in the legislation.

As other speakers have already said, this legislation is almost identical to legislation which was passed by this House on 4 August but which did not get to the Senate and therefore lapsed. So the government, quite properly and rightly, is reintroducing it to the House. The legislation is the result of a range of consultations which took place across the agricultural industry sectors generally, and I believe the legislation reflects many of the matters which were raised during the consultations. The changes in this legislation make the research and development corporations more flexible and more responsive in dealing with the new realities they face. Through this legislation the governance processes are streamlined and made more accountable and more effective.

I note that it was in fact a Labor government, back in 1989, that established the research and development corporation model which we are currently talking about. The amendments in the legislation will encourage private sector investment in research and development because they enable the private sector to apply for matching government funds, because the changes streamline the selection process for RDC board members and because they provide more flexibility to the RDCs. The amendments allow individual and industry-specific levies to be applied—in particular, I note, to the fisheries sector. I support and welcome this change. It will allow specific fishery sectors to raise their own levies and to carry out their own research, development and marketing.

This principle should be applied to every industry sector in primary production. The different sectors of primary production—whether horticulture, agriculture, animal farming or fisheries—have specific opportunities, specific needs and specific barriers. Generally, too, there is a uniqueness about them which allows only themselves to best manage and spend the money raised from their respective industry sectors. So I welcome allowing, as these amendments do, the fisheries sector to have specific programs. But, as I said, this principle should apply more broadly across all sectors if they have the capacity to organise themselves into a structure of some kind.

Research and development is as vital to primary industries as it is to any other sector of the economy, whether it be manufacturing, mining, medicine or technology. Innovation in and the advancement of Australia's primary industry have in fact enabled Australia's primary producers to remain competitive, and Australia has often led the way in new technology and new farming methods. But the global production of food is becoming increasingly competitive. Other countries are now competing with Australia for global supplies of food products for which, in past years, Australian growers had secure markets. That is no longer the case, but primary production nevertheless presents Australia with huge opportunities.
Our primary producers need to remain competitive and they need to be able to respond to changing markets and the changing climate. In fact, according to the National Food Plan put out earlier this year by the former agriculture minister Joe Ludwig, 15 per cent of the Australian workforce is involved in food production. We export $30.5 billion worth of agricultural products annually, and produce enough food to feed the country twice over.

Food creation is, indeed, the biggest employer in rural and regional communities. It provides one in six jobs. Australia exports over half the food it produces, yet over 90 per cent of the fresh produce sold here is also produced here. By 2050, world consumption is expected to be 75 per cent higher than it was in 2007. And the value of Australia's agriculture and food related exports will have increased by 45 per cent in real terms by then if current projections continue. In 2011-12, primary production generated annual earnings of $42.6 billion for the Australian economy and, as I said earlier, food exports accounted for some $30 billion.

Other speakers have made the point that rural productivity has increased at more than twice the rate of other industries. I welcome that. I will come to that point in a moment, because it is not all good news for our primary producers. I want to talk for a moment about one of the biggest challenges that our primary producers are faced with, and where research and development is going to be critical to their survival—that is, the question of climate change.

Climate change—whether it is simply the changing of weather patterns, where seasons come in earlier or later than in past years; changes in rainfall patterns; higher temperatures and higher temperatures for longer periods of time; extreme weather events or perhaps even new diseases—is a real threat confronting our primary producers. Climate change presents challenges that individual farmers alone cannot respond to. But collectively—using research and development carried out by the corporations and by other government institutions such as CSIRO, Australian universities and other research organisations—they may be better able to respond and adapt to the changes that are required for them to survive and to continue producing.

I believe that research that is specifically related to climate change and how it impacts on our primary producers, and our farming sector specifically, is one of the most important areas that we need to put money into in the years ahead, because it is a real threat. It is happening right now and it will make a significant difference to the ability of our farmers to continue to operate profitably, not to mention to continue to be competitive in the global market.

I said earlier that I wanted to talk about how well our primary industries have been going in recent years. Whilst the growth rate might have been double that of most other industries, the concerning reality is that Australia's spend in research and development has, over the last decade, been dropping. Internationally, we have fallen from around ninth place, in the year 2000, to something like 16th place internationally right now. That is according to a research paper released earlier this year by John Mullen from Charles Sturt University and Mick Keogh from the Australian Farm Institute. Their research paper was reported in the Australian on 6 February this year. The paper linked falling farm productivity between the years 2000 and 2010 with reductions in research and development funds. We know that research and development will lead to primary industry production becoming more efficient and more effective and that if we want to increase production and productivity in this country it will not come about by us increasing the area of land cultivated and produced from; it will come about through us doing better with the land that we currently cultivate and with the farmers that are
currently in the system. In other words, the farmers need to become more efficient and more productive with what they have rather than trying to expand their operations, because that is just going to add to their costs and therefore the bottom line for them would be no better than if they can become more productive with what they have.

One of the other issues that arise when you discuss research and development is the argument and discussion about the genetic modification of foods. It is a debate that needs to be confronted and that I do not believe has been properly confronted in recent times by this parliament, and it is a debate that is currently taking place across the world. It is a debate, again, that will have very serious ramifications for the future of our farming industry. Whilst I certainly do not wish to debate the issue right now, I just point out that it is one of those matters that we seem to perhaps not want to address or focus on when the reality is that we need to focus on it, because genetic modification can make a difference to farming while simultaneously it is a matter that polarises the community both here in Australia and in other countries. Therefore it is a matter that I believe this House needs to properly debate at some point or another.

Australian farmers have indeed been through tough times in recent years, because of the high Australian dollar, droughts, floods, climate change, overseas competition and, as the member for Murray quite rightly said, monopolies squeezing the growers in every way they possibly can. So I have no doubt whatsoever that for primary producers of this country it has been a difficult decade up until now. The reality, however, is that all of these factors—whether the high Australian dollar, the droughts, the climate change or the overseas competition—will continue. They will not change. We might modify them a little bit here and there, but the reality is that our farmers will be confronted with those issues into the future as well. So I believe that the only way that they will be able to survive, to remain competitive and to grow is by us investing in research and development so that they can be smarter about what they do and how they do it. That is going to give them the competitive advantage in the marketplace. Nothing else will.

So, for those reasons, I believe that this legislation is appropriate and should be supported by the House. I thank the minister for bringing it back into the House given that it was an initiative of the previous government, because I believe it will be welcomed by the primary producers and the farming sector of this country more broadly.

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (12:47): The world's population, based on estimates from October this year, will reach some 9.7 billion people by 2050. The same report, issued by the French National Institute of Demographic Studies, projected there would be 10 billion to 11 billion people on the planet by the end of the century. At the same time, Australian Bureau of Statistics projections reported in The Sydney Morning Herald last week predict that Australia's population will be 40 million people by 2060 and almost 50 million by 2100. Let us think about that for a minute. The ABS's population clock, as of 11 o'clock this morning, estimates there are some 23,301,971 people in Australia at the moment. By 2060 that figure will almost double. That is a lot of hungry mouths to feed, a lot of food to produce and a lot of farmers who will be required to undertake that task.
I proudly stand in this chamber as the member for Riverina, a vast and diverse electorate which has at its heart small and large businesses which are feeding the nation, the region and indeed the world. Riverina people are grain growers, dairy and beef producers, irrigators, apple growers, rice and citrus producers, wool and cotton producers, olive growers and wine producers—and I could go on. There is not much that we do not grow in the Riverina, and we do it amidst some challenging times—certainly over the past decade, with terrible droughts, flooding rains and frosts which strike just as the farmer needs them least. Just this year, in fact, it looked as though it was going to be a bumper harvest for canola growers. Prices were good and there was much of it grown throughout my electorate. You could see at one point when driving around or even flying over the electorate a brilliant sea of yellow paddocks for kilometres, as far as the eye could see. It was quite a sight.

As many regional members in southern New South Wales and northern Victoria would be aware, a frost struck and dampened many of the bumper crops and harvests that Riverina farmers were looking forward to. In fact, it was a black frost—it froze from the inside out. That had not happened in the Griffith area since 1969. But we are resilient people in the Riverina. We understand in real terms what a growing national and world population means for producers. Rather than mere statements about the Asian century and its potential for Australian farmers, the people of the Riverina know they have the capacity and the will to expand and grow the food to keep the dinner tables of the nation's families full of quality Australian-grown produce.

We know there is potential and that is why the grain producers of my electorate were so pleased last week with the Treasurer's decision to block the Archer Daniels Midland bid to take over GrainCorp. Gerry Lawson AM, who is the Chairman of SunRice, which is based in Leeton in my electorate, wrote in the company's 2012 annual report that they 'support the view that Australia has the ability to feed up to 200 million people in Asia and beyond'. He is absolutely right. The report also said that the company he heads had a harvest of more than 960,000 tonnes of rice, which will go to feed at least 23 million people around the world every day for a year. Let us think about that statistic. One operation in Leeton and the Murrumbidgee Irrigation Area produces enough rice to feed at least 23 million people—that is the population of Australia at the moment—every single day for a year. How amazing! How remarkable! They have the capacity to grow further and feed 200 million people in the future.

They certainly are doing their bit in research and development. SunRice and the Ricegrowers' Association well understand the value of rural research and development. They get it and they put it into action. Effective and efficient use of water to them equals food security and sustainability. All they want to do is feed the world with quality Australian produce and invest in ways that ensure they can continue to turn water into food to feed the world for many years to come. In 2011 SunRice looked like being bought out by Spanish multinational Ebro, but the growers, the SunRice board and the Ricegrowers' Association understood the growers' potential. Irrigation was purpose-built in the area. They celebrated the centenary of irrigation just last year. Thanks to consistent research and development, growers' needs are understood and their operations are becoming more efficient.

The Griffith city council area, which takes in parts of the MIA, also has the wonderful ability to feed the nation. Major industries include the top five Australian owned largest
export wineries in Australia: Casella Wines, De Bortoli, McWilliam's, Westend and Berton wines. They supply 75 per cent of New South Wales wine grapes. And 70 per cent of New South Wales citrus production also comes from the Griffith local government area. There are three large juicing operations: Real Juice, Summertime and Harvey. There is the export of more than $800 million of wine per year. I could go on about the other wonderful things about Griffith, but this is about rural research and development.

The government recognises the importance of R&D in the agriculture, fisheries and forestry sectors. I want to digress a little. I have just come from a meeting with a pulp and paper mill workers delegation. Mr Deputy Speaker, you would be interested to know that your friends from the Construction, Forestry, Mining and Energy Union had eight delegates here in Canberra to attend a meeting hosted by the member for Gippsland, a National Party member. We recognise the role that the CFMEU are playing in trying to protect their jobs and keep industries in the forestry sector open, viable and prosperous. We also recognise that this is above politics; we need a bipartisan approach. Certainly R&D in the forestry sector was a critical part of that hour-long meeting with the eight delegates from the union.

It was interesting to hear the sorts of things they told us about the challenges that their industry faces. It was interesting to hear about the sorts of initiatives that some of the very well-known and established companies and factories within the forestry sector and within the paper and pulp sector are doing to diversify and to transform so that they can continue to stay viable and afloat in challenging times.

Visy at Tumut in my electorate exports a lot of its product to the United States of America. The high Australian dollar, as the member for Makin has just pointed out, has hurt that business. But they are doing a lot of research and development into plasterboard, realising that that might be something they can venture into to keep their business afloat in these challenging times. I have to say that Visy is one of the most environmentally friendly companies in Australia, and they are also investigating bioenergy opportunities in Tumut and beyond.

Freight costs are also something that affects a lot of these companies—they certainly affect Visy. The plant at Albury is very well known in the newsprint industry, and we all know that the newspaper industry is suffering a downturn due to falling advertising revenue and the decline in the traditional newspaper as a source of news, and that is hurting the Albury plant. But they are also doing a lot of R&D, trying to see what they can do to look at other ways and means of making money. I do commend the CFMEU for today's meeting, for the candid way they approached the meeting and certainly for the way that they are trying to help their workers, along with their companies, to look at ways in which rural and regional research and development can ensure that they do have a future.

It was a request for assistance from MPs to help support pulp and paper jobs, to help pulp and paper mills and to help the industry and you only have to see the passion in these people's eyes to know that they certainly are worried about the future of their industry. They had a campaign, 'Don't Shred Pulp and Paper Jobs'. They realised also that cheap imports are hurting their industries and their futures. We stand with Labor to do whatever we can to protect the pulp and paper mills and to ensure that they do have a future.

Australian farmers also have a big future. They are an innovative breed, our farmers. As the member for Murray pointed out a little bit earlier, they are the best in the world—make no
mistake. They know that R&D is essential if Australian industries are to keep pace and to compete successfully in the international arena. And it is becoming difficult. I sat, as did you, Mr Deputy Speaker Mitchell, on the regional Australia committee which looked into the Murray-Darling Basin. We know the challenges that irrigation farmers have because of the Water Act—a water plan which, unfortunately, puts the environment first, second, third, fourth, fifth and sixth. Unfortunately, the irrigators came a long and distant maybe seventh or maybe eighth.

Certainly, there needs to be more R&D into ensuring that better water policy enables irrigators to grow the food to feed not only our nation and our small part of the world but, indeed, Asia, so that we can tap into that growing and burgeoning middle class in Asia, which has a growing and burgeoning need for more protein and fibre. We can produce food and fibre if we have the water to be able to do it, and I am glad that the coalition government is capping buyback at 1,500 gigalitres. I am happy that the coalition is committed to spending some of that $5.8 billion set aside in the original Water Act 2007 for R&D and to plumb the system, rather than just pushing all the water out of the mouth of the Murray. We cannot just have a policy which puts the environment first, second, third and so on and so forth and leave the poor old irrigators, who are growing the food, out in the cold. They would probably actually like to be left out in the cold, because they might have a bit of water, but unfortunately when they only have 43 per cent water allocations for one reason or another it is not very conducive to actually being able to grow rice or grapes or anything else that they do in the Riverina.

The 15 rural research and development corporations, or RDCs, do provide a mechanism for farmers and fishers to invest collectively in services that will benefit their industries, including R&D and, in some cases, marketing. The coalition recognises the need for good R&D. I was quite angry the day before yesterday when I read that union official Paul Howes was talking about how there was no need for ‘ma and pa’ farmers, and saying that Australia needed to get with it and to go on like the United States does with big conglomerate farming, and that wide-scale farming and family farms can get left behind. Paul Howes does not understand. As Thomas Watson from Wagga Wagga said in a letter in *The Australian* yesterday, ‘Paul Howes’s knowledge of agriculture could comfortably fit on a postage stamp.’

But I digress. I think that we all need to get on board with R&D. We all need to get on board with the need to be able to grow more food. And I am sure that the rural and regional Labor members opposite—as I know that you do, Mr Deputy Speaker Mitchell—acknowledge the need for greater R&D investment, acknowledge what a great job our rural sectors do to be able to grow the food to feed our nation as well as other nations. I also know of the important work that you and others did on the Windsor inquiry for a better Murray-Darling outcome.

Unfortunately, the 21 recommendations that were brought down in May last year were not adopted by the then Labor government. It is unfortunate because I think we would have had a far better outcome. I know that the then member for New England certainly acknowledged and recognised the importance of R&D—certainly in irrigation—as does the new member for New England. I know that was at the forefront of our inquiry into the Murray-Darling Basin, the fact that research and development was an important factor.
Certainly the government encourages investment by establishing and collecting a statutory levy if an industry so requests, and by returning the funds to the relevant RDC less the cost of collection. In the current financial year, the government is providing an estimated $250 million to RDCs. That is admirable and is to be encouraged. I commend these bills to the House.

Debate adjourned.

Federation Chamber adjourned at 13:03
QUESTIONS IN WRITING

Comcare

(Question No. 1)

Mr Bandt asked the Minister representing the Minister for Employment, in writing, on 13 November 2013:

In respect of the amendments to the Comcare legislation resulting from the High Court case Canute v. Comcare, (a) must an individual with multiple workplace injuries have each injury assessed separately, (b) is it a fact that an individual is ineligible for compensation if they have multiple workplace injuries where each injury has a value of less than 10 per cent whole of person impairment, even if the total sum of these injuries is greater than 10 per cent whole of person impairment, and (c) will the Minister consider amending the legislation to allow for combining whole of person impairment ratings for multiple workplace injuries; if so, when.

Mr Pyne: The Minister for Employment has provided the following answer to the honourable member's question:

(a) Yes. As a result of the High Court decision in Canute each injury resulting in impairment requires a separate permanent impairment assessment. This includes employees who suffer from multiple injuries as a result of a single occurrence, for example an employee who sustains a crush injury resulting in impairments to their chest, upper and lower limbs. These impairments will not be able to achieve permanent impairment compensation if each value falls below the 10 per cent threshold. This outcome would also apply to injuries that manifest later as result of a compensable injury (Mr Canute's circumstance). That is the employee suffers a back injury and as a result of the chronic pain develops a depressive disorder 12 months later.

(b) Yes. If each separate injury to an employee results in a permanent impairment of less than 10 per cent, compensation for permanent impairment is not payable. Exceptions are permanent impairment as a result of hearing loss (prescribed threshold is 5 per cent) or loss of or loss of use of fingers or toes or taste or smell (no threshold requirement).

(c) The Government is considering its response to recommendation 8.2 of the Review of the Safety, Rehabilitation and Compensation Act 1988 that recommended an amendment to the Safety, Rehabilitation and Compensation Act 1988 so that separate impairments arising from a single injury occurrence can be combined to achieve a combined impairment value.