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**SITTING DAYS—2012**

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SIXTH PERIOD

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Office holders
Speaker—Hon. Peter Neil Slipper MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

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

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

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

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

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

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<td>Zappia, Tony</td>
<td>Makin, SA</td>
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**PARTY ABBREVIATIONS**
ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party; CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent; AG—Australian Greens

**Heads of Parliamentary Departments**
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
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<td>The Hon Julia Gillard MP</td>
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<td>Senator the Hon Stephen Conroy</td>
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<tr>
<td>Minister for Social Inclusion</td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td><em>Minister Assisting the Prime Minister on Mental Health Reform</em></td>
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<tr>
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<td>The Hon Gary Gray AO MP</td>
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<tr>
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<tr>
<td>Cabinet Secretary</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator the Hon Jan McLucas</td>
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<tr>
<td><strong>Treasurer</strong> (Deputy Prime Minister)</td>
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<tr>
<td><strong>Minister for Financial Services and Superannuation</strong></td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon David Bradbury MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon Bernie Ripoll MP</td>
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<td>Senator the Hon Chris Evans</td>
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<tr>
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<td>The Hon Greg Combet AM MP</td>
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<tr>
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<td>The Hon Simon Crean MP</td>
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<td>Senator Cory Bernardi</td>
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<td><strong>Shadow Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td><strong>Shadow Minister for Trade</strong></td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td>(Deputy Leader of the Opposition)</td>
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<tr>
<td><strong>Shadow Parliamentary Secretary for International Development Assistance</strong></td>
<td>Mr Darren Chester MP</td>
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<tr>
<td><strong>Shadow Minister for Infrastructure and Transport</strong></td>
<td>The Hon Warren Truss MP</td>
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<tr>
<td>(Leader of The Nationals)</td>
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<tr>
<td>Shadow Parliamentary Secretary for Roads and Regional Transport</td>
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<tr>
<td><strong>Shadow Minister for Employment and Workplace Relations</strong></td>
<td>Senator the Hon Eric Abetz</td>
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<tr>
<td>Shadow Minister for Employment Participation</td>
<td>The Hon Sussan Ley MP</td>
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<tr>
<td><strong>Shadow Attorney-General</strong></td>
<td>Senator the Hon George Brandis SC</td>
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<td><strong>Shadow Minister for Justice, Customs and Border Protection</strong></td>
<td>Mr Michael Keenan MP</td>
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<td><strong>Shadow Parliamentary Secretary to the Shadow Attorney-General</strong></td>
<td>Senator Gary Humphries</td>
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<td><strong>Shadow Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
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<td>Senator Mathias Cormann</td>
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<tr>
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<tr>
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<td>Senator Cory Bernardi</td>
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<td>Senator Michaelia Cash</td>
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<td>The Hon John Cobb MP</td>
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Monday, 25 June 2012

The DEPUTY SPEAKER (Ms AE Burke) took the chair at 10:00, made an acknowledgement of country and read prayers.

PRIVATE MEMBERS' BUSINESS

Private Members' Motions

Reference to Federation Chamber

The DEPUTY SPEAKER (Ms AE Burke) (10:01): In accordance with standing order 41(g), and the determination of the Selection Committee, I present copies of the terms of motions for which notice has been given by the honourable members for Lyne, Wannon, Wakefield, Bradfield, Kingston, Leichhardt, Bruce and Fraser. These matters will be considered in the Federation Chamber later today.

PETITIONS

Mr MURPHY (Reid) (10:01): On behalf of the Standing Committee on Petitions, and in accordance with standing order 207, I present the following petitions:

Falun Gong

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

This petition of certain citizens and residents of Australia draws to the attention of the House that Falun Gong is a peaceful meditation practice based on the principles of Truthfulness, Compassion and Tolerance. Falun Gong practitioners in China have been subjected to the most brutal and relentless persecution by the Chinese Communist regime since July 1999, causing thousands to lose their lives from illegal detention and systematic torture. Such conduct stands in blatant violation to all international human rights charters that the Chinese government has itself ratified. According to investigative reports published by human rights lawyer David Matas and former Canadian Secretary of State for the Asia Pacific; David Kilgour, tens of thousands of imprisoned Falun Gong practitioners have been subjected to forced organ harvesting for China's transplant market and lost their lives (www.organharvestinvestigation.net).

We therefore ask the House to request the Prime Minister and the Foreign Minister to openly and forthrightly call for an immediate end to the persecution of Falun Gong in China.

from 2,627 citizens

Human Rights: West Papua

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

Justice for West Papua

This petition sponsored by the Australia West Papua Association draws to the attention of the House the ongoing abuse of human rights of the people of West Papua by the Indonesian authorities. There is a disproportionate military presence in West Papua and the Indonesian military and police conduct “sweeping operations” throughout West Papua in which they burn houses, beat and kill civilians and force hundreds of civilians to flee into the forests. Peaceful demonstrations by West Papuans are brutally dispersed by security forces and participants are arbitrarily arrested and sentenced to lengthy jail terms. Amnesty International and Human Rights Watch report that there is widespread torture and abuse of political prisoners. Foreign journalists and the Red Cross are denied access to the region.

We ask the House to:
- Request that the United Nations review the New York Agreement of 1962 and the 1969 Act of Free Choice, and conduct a genuine, UN-monitored referendum on self-determination in which all adult West Papuans are allowed to vote without duress.
- Stop all Australian financial support and training of Indonesian military and security personnel until human rights abuses by military and security personnel in West Papua cease.
- Request the Indonesian government to remove the media blockade and allow international journalists free access to West Papua.
from 122 citizens

Mental Health

Youth Mental Health Petition
To the Honourable The Speaker and Members of the House of Representatives

This petition of the concerned residents of outer eastern Melbourne

Draws to the attention of the House the high incidence of **mental illness among young people** in the Knox area. Over a third of young people in Knox will be affected at some stage by depression, severe anxiety or worse before the age of 25. The impact of a mental problem can be devastating on the individual affected and their family.

We therefore ask the House to call upon the Federal Government to provide additional services in Knox to assist young local people with mental problems. In particular, we request the **funding of a Headspace Centre in Knox** (a one-stop-shop that focuses on 12-25 year olds) to reduce some of the current gaps in service provision and assist thousands of young people in our local community.

from 200 citizens

Marriage

PETITION TO RETAIN THE DEFINITION OF MARRIAGE BETWEEN A MAN AND A WOMAN
To the Honourable The Speaker and Members of the House of Representatives

We the undersigned citizens draw to the attention of the House of Representatives assembled that the Marriage Act 2004 states “marriage means the union of a man and a woman to the exclusion of all others, voluntarily entered into for life” which is the foundation upon which families are built and on which our Australian society stands.

To amend the definition of marriage to include same sex homosexual or lesbian “marriage” would be to change the very structure of our Australian society, especially the education system to the detriment of all, particularly children.

We, the undersigned citizens therefore request that any Marriage Equality Amendment Bill be opposed. And, as in duty bound, will ever pray.

from 1,061 citizens

Social Security Act

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

This petition of a citizen of Australia draws to the attention of the House:

Assessment (or non-assessment) of income under the Social Security Act.

A person with an Account Based Pension (formerly called an Allocated Pension) has a reduced income amount assessed compared to a person with similar investments outside an Account Based Pension.

I therefore ask the House to:

The current method of income assessment for Account Based Pension allows for a deductible amount based on account balance at investment and life expectancy. This is unfair to those who have not had access to superannuation and the Account Based Pensions should be assessed under the deeming rules as “Financial Assets”. That way investments are assessed in the same way.
way whether inside or outside Account Based Pensions. This would be a fairer assessment and would also be simpler to assess for Centrelink.

from 1 citizen

**Social Security Act**

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

This petition of a citizen of Australia draws to the attention of the House: Assessment (or non-assessment) of income under the Social Security Act.

A person under Age Pension age can have substantial funds in superannuation and receive full Newstart Allowance, Disability Support Pension etc. If the person is over 55 years of age, they can access preserved superannuation funds if they have been in receipt of a Centrelink payment for over 39 weeks (does not have to be consecutive weeks).

I therefore ask the House to:

If the person has been in receipt of a Centrelink payment for over 39 weeks since turning age 55, the balance of the superannuation funds should be assessed as income producing using the deeming rules. That is, the funds become “Financial Assets” subject to the deeming rules, not exempt as they are now. The funds should remain asset test exempt as the asset test in the case of Allowances is a cut off point rather than a scaled reduction like it is for Pensions. This action would reduce payments to people who can support or partially support themselves and provide an incentive to return to work.

from 1 citizen

**Human Rights: West Papua**

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

This petition of certain citizens of Australia draws to the attention of the House the following facts:

a) the 1969 Act of Free Choice in West Papua was not a free and fair referendum, because only a small proportion of adults were allowed to vote, and those selected to vote were subjected to threats if they did not vote in favour of integration with Indonesia.

b) Indonesian military and security personnel in West Papua have carried out and continue to carry out human rights abuses such as torture, murder, arbitrary detention, house-burning and rape, with impunity.

c) International media are restricted from reporting in West Papua

We therefore ask the House to:

- Request that the United Nations review the New York Agreement of 1962 and the 1969 Act of Free Choice, and conduct a genuine, UN-monitored referendum on self-determination in which all adult West Papuans are allowed to vote without duress.

- Stop all Australian financial support and training of Indonesian military and security personnel until human rights abuses by military and security personnel in West Papua cease.

- Request the Indonesian government to remove the media blockade and allow international journalists free access to West Papua.

from 3,383 citizens

**Public Holidays**

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

This petition of certain citizens of Australia draws to the attention of the House that:

- Weekend and shift workers are disadvantaged whenever Christmas Day, Boxing Day or New Year's Day falls on a weekend and the public holiday substitutes (is moved) to the following Monday or Tuesday.

- When substitution occurs workers rostered to work on the actual special day falling on the weekend don't receive a public holiday whilst workers rostered to work on the substitute day do.

- This is unfair to weekend and shift workers.

- Some States have legislated for Christmas Day, Boxing Day and New Year's Day to be public holidays when they fall on a weekend plus provide an additional public holiday on the following Monday, or Tuesday.
Weekend and shift workers are also disadvantaged because Good Friday, Easter Saturday (in most states) and Easter Monday are public holidays but Easter Sunday (except in NSW) is not. (The NSW Parliament unanimously legislated for Easter Sunday to be a public holiday.)

This is unfair to weekend and shift workers.

Parliament should legislate a uniform standard across Australia.

We therefore ask the House to:

Amend the National Employment Standards in the Fair Work Act to include:

1. An additional public holiday (not a substitute day) on the following Monday and/or Tuesday whenever Christmas Day, Boxing Day or New Year's Day fall on a weekend.
2. Easter Sunday as a public holiday.

from 23 citizens, 91 citizens and 197 citizens

PETITIONS

Responses

Mr MURPHY (Reid) (10:03): Ministerial responses to petitions previously presented to the House have been received as follows:

Medicare

Dear Mr Murphy

Thank you for your letter of 19 March 2012 on behalf of the Standing Committee on Petitions, regarding restoration of the Extended Medicare Safety Net (EMSN) for obstetrics.

The EMSN provides an additional rebate for Australian families and singles who have out-of-pocket costs for Medicare eligible out-of-hospital services once an annual threshold in out-of-pocket costs has been met. In 2012, the annual threshold for Commonwealth Concession Card holders, including those with a Pensioner Concession Card, a Health Care Card or a Commonwealth Seniors Card, and people who receive Family Tax Benefits (Part A) is $598.80. For all other singles and families the annual threshold is $1,198.00.

Out-of-hospital services include GP and specialist attendances, as well as many pathology and diagnostic imaging services. Once the relevant annual threshold has been met, Medicare will pay for 80% of any future out-of-pocket costs for Medicare eligible out-of-hospital services for the remainder of the calendar year, except for a small number of services where an upper limit or ‘EMSN benefit cap’ applies.

An independent review of the EMSN, the Extended Medicare Safety Net Review Report 2009, clearly showed that in certain areas (such as obstetrics and IVF) the EMSN has been used by some specialist doctors to raise their fees, knowing the taxpayer would cover 80% of the cost of the fee rise. This meant that EMSN benefits supported high fees without necessarily providing patients with benefits.

From 1 January 2010, an upper limit was placed on EMSN benefits for obstetrics items. To offset the impact of these changes the Government has invested over $157 million (over four years) for the introduction of three new obstetric attendance items and to increase the base rates for 15 obstetric items, including antenatal appointments, labour and delivery services, and the planning and management of pregnancy.

The Medicare rebates for a standard package of maternity care with a private obstetrician have been increased by about $300 per patient. The following points apply:

• For a standard course of antenatal care, the Medicare rebates and EMSN benefits available total more than $1,700. Extra rebates apply for more complicated pregnancies and confinements.

• The Medicare rebate for a private delivery is now 30% higher than previously. The in-hospital rebates for delivery items were increased by between $250 and $280.

• The fee for the existing planning and management of labour item (16590) for medical practitioners who intend to undertake the delivery of a privately admitted patient was increased by 150% (from $122.50 to the $306.30) and a new planning and management item (16591) was introduced for medical practitioners who do not intend to be involved in the delivery.
These changes have been introduced to directly support patients, without providing an incentive for specialists to increase their fees.

Since 1 November 2010, the Australian Government has also provided Medicare funding for obstetric services provided by midwives. Pregnant women are free to choose whether they access public or private sector obstetric services and the provision of Medicare rebates for midwives to provide these services supports that choice.

The petitioners assert that the 1 January 2010 changes have led to a significant shift of births into the public system. No data has been provided to support this claim.

Once again, thank you for writing.

from the Minister for Health, Ms Plibersek

Petition: Breastmilk Substitutes

Dear Mr Murphy

Thank you for your letter of 15 March 2012 on behalf of the Standing Committee on Petitions, regarding a petition calling for the full implementation of the World Health Organization's International Code of Marketing of Breast Milk substitutes (WHO Code).

The Australian Government recognises that breastfeeding contributes to good health and is committed to assisting breastfeeding mothers and their families, promoting the value of breastfeeding and improving breastfeeding rates in Australia. The Commonwealth, state and territory governments are implementing the Australian National Breastfeeding Strategy 2010-2015 which was endorsed by Australian Health Ministers in 2009. Under the Breastfeeding Strategy, the Australian Government has committed significant funding to breastfeeding initiatives, including $2.5 million over five years to enable the Australian Breastfeeding Association to provide a toll-free 24 hour telephone helpline providing information and peer support for mothers and their families. This service is available on 1800 mum 2 mum (I 800 686 268).

Australia's response to the WHO Code is currently being considered as part of the implementation of the Strategy. Australia currently implements the WHO Code in a number of ways that are considered appropriate for the social and economic environment in Australia. These approaches, which are a mixture of regulation, agreements and guidelines, have review mechanisms to ensure they continue to meet community needs.

Australia's primary means of implementing the WHO Code is the Marketing in Australia of Infant Formulas: Manufacturers and Importers Agreement 1992 (MAIF Agreement), a voluntary, self-regulatory code of conduct between manufacturers and importers of infant formula in Australia. All major manufacturers and importers of infant formula in Australia are parties to the MAIF Agreement. Compliance with the MAIF Agreement is monitored by the Advisory Panel on the Marketing in Australia of Infant Formula (APMAIF), a non-statutory panel appointed by the Government.

Other measures used to implement the WHO Code include the Infant Feeding Guidelines for Health Workers and mandatory labelling and composition provisions for infant formula, included in the Australia New Zealand Food Standards Code (Standard 2.9.1).

The Australian Government has commenced an independent review of the MAIF Agreement which will also assist in informing Government policy in relation to the WHO Code. Further to this the Australian Government recently commissioned an international comparison study into the implementation of the WHO Code, other breastfeeding initiatives and breastfeeding rates in Australia and comparable developed countries, including New Zealand, Canada, United Kingdom, Norway and others. The findings of this study, available at www.health.gov.au/APMAIF, indicate that breastfeeding rates are influenced by a number of factors, including social and cultural attitudes as well as support networks.

The findings of these two projects will be used to appraise Australia's current measures in response to the WHO Code and to inform consideration of the merits, possible mechanisms and scope of any further measures to support breast feeding in Australia.
On a personal note and as the mother of three children who were all breastfed for at least the first year of life, I can assure you that I am aware of the benefits of breastfeeding for both my children and myself and will work to increase breastfeeding rates in Australia.

I am proud of our 24 hour Breastfeeding Helpline and of the introduction of Australia's first National Paid Parental Leave Scheme, which helps mothers recover from the birth, establish breastfeeding and bond with their new baby, while providing families with more financial security in the first months of a new baby's life. If the mother wishes to return to work early, she may transfer some or all of the unused Parental Leave Pay to her partner or co-parent, enabling the baby to visit for feeds. From 1 January 2013, the scheme will be extended with two weeks Dad and Partner Pay.

Once again, thank you for writing.

from the Minister for Health, Ms Plibersek

Dear Mr Murphy

Thank you for your letter of 19 March 2012, regarding a petition lodged with the Standing Committee on Petitions concerning the investment of superannuation contributions into owner-occupied homes.

Superannuation receives generous taxation concessions designed to encourage individuals to save for their retirement. Superannuation benefits are generally preserved until a member's retirement, on or after reaching preservation age (between 55 and 60 years of age, depending on a person's date of birth). Restrictions are placed on the early withdrawal of superannuation savings to ensure they are available for genuine retirement income.

The superannuation legislation provides for the early release of superannuation benefits only in very limited circumstances, such as: severe financial hardship; a limited number of compassionate circumstances; permanent incapacity; and for individuals suffering from a terminal medical condition.

These arrangements attempt to balance the need for superannuation benefits to be protected for retirement purposes against the need for access to be provided where superannuation fund members experience personal emergency situations.

The Government considers that using superannuation savings to purchase a home would negate the benefits of regular superannuation contributions and compounding interest, and result in lower retirement incomes than would otherwise be the case. On this basis, the Government is not in favour of allowing access to superannuation savings for this purpose.

Nevertheless, the Government recognises the impact that rising housing costs can have, particularly on families, and is committed to improving the availability of affordable housing across all communities. One of the issues that has impacted on housing affordability is that the supply of housing has not kept pace with strong growth in demand in recent years. As such, the Government has announced a number of initiatives to help tackle this problem.

The Government is investing nearly $450 million in the Housing Affordability Fund to help lower the cost of building new homes. This program focuses on improving the supply of new housing and on making housing more affordable for home buyers entering the market. It is helping address two significant barriers to the housing supply, namely holding costs incurred by developers as a result of planning and approval waiting times, and infrastructure costs relating to water, sewerage, transport and open space.

The Government's Building Better Regional Cities program will assist the construction of more affordable homes in regional cities. This will help relieve pressure on our major capital cities so that Australia can grow sustainably. The Government will fund participating councils to invest in local infrastructure projects that support new housing developments, such as connecting roads, extensions to drains and sewerage pipes, and community infrastructure such as parks and community centres.

The Government's First Home Saver Accounts are also helping first home buyers to save a larger deposit for the purchase of their first home. The Government will make a contribution of 17 per cent for all individuals on the first $5,500 of personal contributions made each year. These
accounts complement the Government's policies to increase the supply of affordable housing. I trust this information will be of assistance to you from Treasurer, Mr Swan

PETITIONS

Statements

Mr MURPHY (Reid) (10:03): Madam Deputy Speaker, as we near the end of this financial year, and in this last sitting week of the winter sittings, I would like to give a brief overview of petition trends over the last 12 months. Please note that I am speaking to the statistics collected up until today, which includes today’s announcement; but there is a good possibility that petitions will also be tabled by members during this sitting week.

There has been a 41 per cent increase in petitions tabled in the House this financial year compared to the previous one—that is, 183 petitions tabled this financial year, compared with 129 in the previous period. These figures are encouraging in that they demonstrate the continued confidence the general public have in the petitioning process. It appears that petitioning remains a method that Australian citizens embrace to put their views forward within the community, to the House and to the federal government, and to request action.

Of the 183 petitions tabled, 40 petitions, or 22 per cent of all petitions tabled, were tabled by members. These statistics echo the ongoing, and often very direct, participation of members in the petitions process, despite the option for petitions to be presented by me on sitting Mondays.

Ministerial response letters tabled have also increased in this period—from 79 tabled in the 2010-11 year to 134 tabled in this financial year. Much of this increase reflects the increased volume of petitions, rather than a significant increase in the number of petitions responded to. Ministerial responses have been one of the notable successes of the petitioning arrangements introduced in 2008, as they have proven to be thorough and timely. However, I would like to point out the exceptional strength of the ministerial response process as exemplified in statistics collated over the last 12 months.

A crude statistic of the ministerial response rate can be calculated from the number of response letters tabled, in comparison to the number of petitions tabled in the same period. This rate approximates 74 per cent, which compares favourably with the rate of 61 per cent in the previous period. However, this calculation underestimates the true rate of responses to petitions because one response letter may address more than one petition of the same or similar ilk. This is illustrated in statistics, which have been retained by the committee secretariat since February 2012, which document not only the number of ministerial response letters tabled but also the number of petitions these letters responded to.

Fifty-four response letters have been tabled since February 2012 but which have responded to 72 petitions. This discrepancy occurs because some petitions with identical terms, or those petitions tabled on the same subject matter within the same period of time, are not re-referred to a minister after a recent referral. Therefore, one response letter may respond to more than one petition, and each principal petitioner will receive the recently tabled response to that petition matter.

I would expect the trend in the last six months to be present across the full year. However, if we merely add these 18 responses from the last six months which are not reflected in a simple count of tabled letters, plus allowing for the 33 recently tabled petitions which have not yet received

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responses, the total responses approximate the total number of tabled petitions. Thus, the ministerial response rate is actually closer to a full 100 per cent. There is no doubt that this is an excellent result from a system introduced only in the previous parliament.

In summary, the statistics over the last 12 months tell a story of confidence, commitment and consideration—continued confidence by the public in a parliamentary process which has been used by generations of Australians; continued commitment by members and the House in supporting this long-enshrined activity; and due consideration given to each petition which is tabled in the House.

COMMITTEES

Education and Employment Committee

Report

Ms RISHWORTH (Kingston) (10:08): On behalf of the Standing Committee on Education and Employment, I present the committee's advisory report on the Fair Work Amendment (Better Work/Life Balance) Bill 2012, incorporating additional comments and a dissenting report, together with the minutes of proceedings and evidence received by the committee.

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

Ms RISHWORTH: On 16 February 2012, the House Selection Committee referred the Fair Work Amendment (Better Work/Life Balance) Bill 2012 to the employment and education committee for inquiry and report. The bill was introduced by the member for Melbourne, who was subsequently appointed to the committee for the purposes of this inquiry. The inquiry received 23 submissions from employee and employer groups, carer organisations and others with an interest in flexible arrangements in Australian workplaces. On 23 March, the committee held a public hearing in Canberra to explore some of the themes raised in submissions with stakeholders as well as with the Department of Education, Employment and Workplace Relations.

The bill proposes substantive and formal changes to the current right to request flexible working arrangements. The substantive changes to the right to request include: increasing the scope of the right to request flexible working arrangements to all national system employees; increasing the scope of arrangements that define a carer in relation to requests for flexible working arrangements; and strengthening the grounds required to refuse a request for flexible working arrangements for the purposes of caring from 'reasonable business grounds' to 'serious countervailing business grounds'. The bill also proposes empowering Fair Work Australia to make flexible working arrangements orders and provides for the imposition of penalties on parties that fail to implement these orders.

Submissions to the inquiry were divided on whether they supported or opposed the proposed extension of the right to request flexible working arrangements. These arrangements are currently subject to a number of reviews outlined in the report. These include an independent review of the Fair Work Act 2009 and a consultation by the Department of Education, Employment and Workplace Relations on expanding the right to request flexible working arrangements under the National Carer Recognition Framework. Additionally, the General Manager of Fair Work Australia is currently conducting research into the extent to which individual flexibility arrangements under modern awards and enterprise agreements are being agreed to, and the
content of those arrangements; and the operation of the provisions of the National Employment Standards relating to employee requests.

I note that, while the majority of members of the committee agreed with the principles outlined in the bill, the committee has recommended that the bill not be considered until the results of these reviews and government responses are released.

As well as extending the right to request flexible working arrangements, the bill proposes to alter the formal status of the right by removing these provisions from the National Employment Standards. Only one organisation provided evidence to the inquiry that supported the proposed removal of the right to request flexible working arrangements from the National Employment Standards. Others either questioned or opposed this element of the bill. I understand the member for Melbourne has provided additional comments on the purpose of such a change. However, there was considerable argument against the proposed removal of flexible working arrangements from the National Employment Standards. That was certainly a concern of government members of the committee.

The National Employment Standards set out clear minimum conditions that must apply to employees and it is appropriate that the right to request flexible working arrangements is included. This was the view held by government members of the committee. The inclusion of the right to request, as a minimum condition of employment, contributes to an awareness that benefits both employees and employers. Removal of the right to request would also mean that agreed individual flexible working arrangements could be overridden by a collective enterprise agriculture agreement—a situation described by the Ai Group as 'counterintuitive'.

In closing, I thank all those who provided evidence to the inquiry for making the trip to Canberra and my committee colleagues for the work they put into it. I also note the work done by the secretariat, in particular Glenn Worthington. I thank them for their input and I commend the report to the House.

Mr RAMSEY (Grey) (10:13): I rise to speak on the advisory report of the Fair Work Amendment (Better Work/Life Balance) Bill 2012 as proposed by the member for Melbourne. The coalition members—the members for McPherson, Aston and I—of the Standing Committee on Education and Employment support the recommendation of the committee and recognise the views of some, at least, who gave evidence to the committee that they support some action in this area. We were keen to point out that, whilst supporting the recommendation, we do not necessarily endorse the general thrust of the legislation, which is to pass further enforceable responsibilities onto the employers. Further, we are of the opinion that better results will be achieved if employers are encouraged to work in a cooperative fashion with their employees rather than engaging in an environment of confrontation by government regulation enforcing particular outcomes.

To that extent, we took some note of the evidence given by the Australian Industry Group where, firstly, they discussed the conditions in the economy that are affecting business and placing many under strain at the moment. Australian industry perspective business conditions are very tough under the two-speed economy. Mr Callahan went on to say:

Costs of doing business are highly significant at the moment. In the context of this bill before the parliament I think it is important that members take that on board from the perspective of our
concern, in particular, that other jobs are potentially under threat at the moment and it is a very difficult time for doing business in Australia. He went on to say:

The right to request provisions, in their current form, are a very important feature of the act as they encourage cooperation through open dialogue between employees and their employers about achieving meaningful flexibility in the workplace that works on both a personal level for the employee and an operational level for the employer. Unfortunately, the bill as it currently stands would undermine this very important principle and purpose.

The coalition members were concerned that this bill may bring about further confrontation in the workforce and, in that case, be counterproductive to a good outcome. Mr Callahan went on to say:

We believe that the right to request flexible working arrangements as it currently exists under the Fair Work Act is effectively fulfilling the government's intention and we have not identified any problems necessitating a change to the act in this regard.

He also said: 'It would convert a facilitative mechanism that encourages open dialogue at the workplace into an adversarial mechanism.'

We also took evidence from Carers Australia which would somewhat confirm this opinion. In fact, the possibility of this legislation becoming a new point of conflict between employers and employees was conceded by Carers Australia, who showed a preference for a cooperative approach rather than compulsion. They said that, if the legislation is passed, it may become an effective disincentive to employing people from groupings more likely to have caring responsibilities.

We do support the recommendation, because it defers action at this stage, but the driving force behind that is that we do not necessarily accept that this is the correct way to engage with carers, and the people they care for, for the employers. We do not have a special confidence in the Fair Work review. Our concerns with the Fair Work review are that it will not go to some of the things that are affecting conflict in the workplace at the moment in a broader view—not, in particular, with this situation with carers but that the Fair Work review may have some deficiency. But we are more than prepared to wait and see what it says and what the government's reaction to that review is.

The DEPUTY SPEAKER (Ms AE Burke): The time allotted for statements on this report has expired. Does the honourable member for Kingston wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Ms RISHWORTH: I move:

That the House take note of the report.

The DEPUTY SPEAKER: In accordance with standing order 39, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting. Does the honourable member for Kingston wish to move a motion to refer the matter to the Federation Chamber?

Report and Reference to Federation Chamber

Ms RISHWORTH (Kingston) (10:18): by leave—I move:

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

Question agreed to.

PRIVATE MEMBERS' BUSINESS

International Arms Trade Treaty

Ms PARKE (Fremantle) (10:19): I move:

That this House:
(1) calls on Australian parliamentarians to endorse the Global Parliamentarian Declaration on the Arms Trade Treaty;
(2) recognises:
   (a) that the poor regulation of arms:
      (i) results in tens-of-thousands of lives needlessly lost every year;
      (ii) undermines peace and peace building processes, human security, poverty reduction initiatives, and prospects for sustainable socioeconomic development; and
      (iii) facilitates gender-based violence against women who disproportionately endure the indirect, longer-term consequences of armed conflict; and
   (b) the immediate need for a legally binding international agreement on the regulation of the global trade in arms;
(3) congratulates successive Australian governments for their demonstrated commitment to an internationally binding arms trade treaty;
and
(4) calls on the Australian Government to continue strong advocacy for an international arms trade treaty at the upcoming United Nations negotiations on the matter in July 2012.

It is difficult to overstate the devastating effect of illicit weapons on individuals and communities around the world. In fact, it is estimated that 1,500 people are killed each day from conflict and armed violence. Incredibly, around 12 billion bullets are produced every year—that is about two for every person on the planet.

Part of the problem is that the multibillion dollar global trade in arms is largely unregulated. As Amnesty International and Oxfam Australia have noted in a letter to all MPs and senators, the trade in arms is more poorly regulated than the trade in bananas or coffee. Weapons are often traded irresponsibly between countries, with no consideration of whether they will be used to commit human rights abuses or diverted to those who will.

In the Democratic Republic of Congo, DRC, for example, weapons continue to pour into the country despite clear evidence of human rights abuses, fuelling ongoing conflict and human suffering—weapons are diverted to war lords, women are raped at gunpoint and children are recruited as soldiers. In the DRC the asking price for an AK-47 is reported to be just US$50.

Most human rights violations are not committed with tanks or other heavy artillery; they involve small arms and light weapons. In small communities, such as in the Pacific, it is easy to imagine that just one armed gunman could hold a whole village hostage.

During July, UN member states will meet to negotiate a new treaty to regulate international transfers of conventional weapons. The purpose of the treaty is not to limit or reduce legitimate arms transfers but, rather, to prevent irresponsible transfers by requiring states to undertake risk assessments of each transfer to determine if they will be used to commit violations of international humanitarian or human rights law or seriously impair poverty reduction or socioeconomic development. This is the fundamental purpose of the treaty, and specific criteria achieving this must be included in the treaty text.

A robust treaty should include all types of conventional arms, including small arms and light weapons, and ammunition. Ammunition is likely to be a sticking point, particularly for the US, which argues that it is too onerous to track. However, ammunition must be included in the scope of the treaty. Some weapons, such as the AK-47, are virtually indestructible. So their use continues for decades, by one group after the next as they are traded around, because ammunition for them is readily available. The treaty should also cover all types of
trade activity, including transhipments, brokering and gifting. Critically, the treaty should be legally binding and require national implementation with clear reporting provisions.

Successive Australian governments have strongly supported the establishment of a robust treaty. Australia has co-authored every United Nations resolution on an arms trade treaty since 2006 and has played an active role as Friend of the Chair. Australia has advocated widely for the arms trade treaty in the Pacific, the Caribbean and Africa. I encourage the Australian government delegation, led by Foreign Minister Carr, to continue to champion a robust, comprehensive and legally binding instrument. There is no doubt that negotiating this treaty in four weeks is an ambitious task. However, considering the staggering impact irresponsible arms transfers have on humanity, there is certainly an urgent need for a positive outcome. And, where there's a will, there's a way.

The deepening crisis in Syria is indeed a poignant reminder of the critical need for an arms trade treaty. Amnesty International's latest report on Syria, Deadly reprisals, provides further evidence that deliberate and unlawful killings are part of a widespread and systematic attack against the civilian population, are carried out in an organised manner and as part of state policy, and therefore amount to crimes against humanity. And yet some nations, such as Russia, continue to ship weapons to Syria, despite the high risk they will be used to commit atrocities.

The international community now has a historic opportunity to negotiate a treaty that will prevent weapons getting into the wrong hands and could save hundreds of thousands of lives. I would like to pay tribute to Amnesty International and Oxfam Australia for their campaign to raise awareness and support within the community and among parliamentarians. I note the briefings conducted by Amnesty International last week in the parliament on this subject. I also note and welcome the efforts of the Parliamentarians for Global Action, or PGA, to promote the new treaty as one of its major campaigns, including asking parliamentarians to sign the Global Parliamentary Declaration on the Arms Trade Treaty. So far, more than 1,500 parliamentarians from all over the world, including more than 50 Australian federal MPs and senators, have signed the declaration.

I thank colleagues for their support of this important arms trade treaty that will play a role in promoting regional and global security and save tens of thousands of lives needlessly lost each year.

The DEPUTY SPEAKER (Ms AE Burke): Is the motion seconded?

Mrs MOYLAN (Pearce) (10:24): Yes, I second the motion. I am appreciative of the opportunity to speak on this important motion and I thank the member for Fremantle for bringing it to the attention of this parliament today. Each day the scourge of war directly affects millions across the globe. Countless more continue to suffer the indirect effects, decades after conflicts subside, through human rights abuses, poverty and human trafficking. Weapons are more easily finding their way into the hands of non-state actors, fuelling decades-long conflicts and creating new ones. The toll on civilians continues to rise with each passing year, and women and children are disproportionately affected as existing inequities are magnified and they are exposed to sexual violence and exploitation.

Whilst the causes of each conflict are complex, there is a simple truth: wars require
weapons. Limiting the flow of arms into conflict regions would help stem violence. But, unfortunately, arms easily find their way though because the trade has very little regulation. In fact, regulations applying to bananas are greater than those applying to the global arms trade.

To remedy this situation, from 2 to 27 July, the United Nations will host discussions for a global arms trade treaty. The treaty is the culmination of six years of investigation and has involved extensive consultations with countries and non-governmental organisations. I am also pleased to say that the treaty has had strong bipartisan support though successive Australian governments.

The arms trade treaty is intended to outlaw the transfer of arms if there is a substantial risk they could be used in breaching international humanitarian law, be diverted from the legitimately intended recipient, affect regional security or be used by terrorist networks. A revolutionary and welcome aspect of this agreement is its broad scope; covering all weapons, transfer types and transactions. That means any weapon, from helicopter gunships to handguns, will be covered. Transfer types will include import, export, temporary transfer, state sanctioned, commercial transactions, technology transfer, plus so-called gifts and aid; and transactions will also cover brokers and dealers, whether state-sponsored or not.

While there is strong support for the treaty in general, Amnesty International is urging parliamentarians across the world to show their support and ensure that the substance of the treaty is not watered down during the upcoming negotiation process, as so often happens. Last week the Parliamentary Friends of Amnesty was privileged to host Widney Brown, Amnesty International Global Director of International Law and Policy, who outlined the status of the negotiations and the issues still to be resolved. Of particular concern are calls to remove ammunition and technology transfer from the treaty. Some countries have objected to ammunition on the basis that it is too hard to track. But it was pointed out that Australia already has a system tracking its ammunition, and there is no reason why other countries could not adopt a similar process.

The restriction on technology transfer ensures that a more recent and disturbing trend is stamped out. It has come to the attention of Amnesty that in order to bypass arms embargoes, weapons factories are being built in conflict regions. Such factories intensify conflict though easy access to arms, destabilise regions and place even more women and children in danger. The process should be stopped and must certainly remain an area regulated by this treaty.

In conclusion, I would urge all members of this place to sign the Global Parliamentarian Declaration on the Arms Trade Treaty. Once again, I would like to thank Widney Brown and Amnesty for their continued advocacy on this important treaty, and thank the member for Fremantle for moving this motion in this place today.

Debate adjourned.

International Year of Cooperatives

Mr HARTSUYKER (Cowper) (10:28): I move:

That this House:

(1) notes that:

(a) 2012 is the International Year of Cooperatives;

(b) there are two million more cooperative members in Australia than retail share investors;

(c) cooperatives create diversity in the Australian economy;
(d) cooperatives play an important role in delivering services to regional and rural communities; and
(e) some Australian Government industry assistance is not available to enterprises with a cooperative structure; and

(2) calls on the Government to:
(a) support the role of cooperatives in Australian communities; and
(b) continue working with the States and Territories to implement nationally consistent laws governing the operation of cooperatives.

Cooperatives play a key role in the Australian economy but are often overlooked as a business model and not appreciated for the benefits that they bring to regional communities. 2012 is the International Year of Cooperatives and 7 July is the International Day of Cooperatives, so it is very appropriate for us to be debating this motion at this time.

A cooperative is simply an alternative business structure which operates for the benefit of cooperative members, rather than for the benefit of investors or shareholders. To put it simply, a cooperative is just a group of people cooperating for their mutual benefit. Cooperatives around the world operate in accordance with seven guiding principles: firstly, voluntary and open membership; secondly, democratic member control; thirdly, member economic participation; fourthly, autonomy and independence; fifthly, education, training and information; sixthly, cooperation among cooperatives; and, finally, concern for the community. Community is a very important issue in relation to cooperatives.

There are around 1,800 cooperatives in Australia, with more than 7.5 million members. Cooperatives operate in many areas of the economy including agriculture, financial services, fishing, housing, insurance and even child care. Many people would not be aware that cooperatives have a unique top-level domain which is .coop, instead of the traditional .com. The top 100 Australian cooperatives, credit unions, and mutuals turned over $14.7 billion in 2011. Many cooperatives are well-known brands in Australia, including Cooperative Bulk Handling, or CBH, in Western Australia, which turns over $2.63 billion; Murray Goulburn Cooperative, which turns over $2.24 billion; Australian Unity, which turns over $656 million; Dairy Farmers Milk Cooperative, which turns over $497 million; and the NRMA, which turns over $456 million. Other notable cooperatives in Australia include Norco in my electorate, the RACV, RACQ, Credit Union Australia, and a range of credit unions including the Banana Coast Credit Union, or BCU as it is now known, in my electorate.

I would also like to note the Macleay Regional Cooperative and the Coffs Harbour Fishermen's Cooperative. Both are located in my electorate and both are in the top 100 cooperatives in Australia. The Macleay Regional Cooperative has been operating in the Macleay Valley since 1905. It operates and owns the Kempsey Supa IGA supermarket, Macleay 5 Star Fitness and key commercial real estate in Kempsey. The Coffs Harbour Fishermen's Cooperative has been operating since the 1950s. It is owned by 45 local professional fisherman and is a significant part of Coffs Harbour's economy, providing significant local employment opportunities. The Nambucca River Cooperative also operates in my electorate. It started in 1903 and has served the Nambucca Valley ever since. In the north of my electorate is the Clarence River Fishermen's Cooperative, which is a very important part of the Maclean community. I should also mention Oz Berries in Woolgoolga. The blueberry industry has provided a significant boost to our region with hundreds of jobs and continuing investment in the area.
cooperative allows local farmers to focus on growing and picking berries while marketing and sales are left to the cooperative.

Around the world, one billion people are cooperative members and cooperatives collectively employ 100 million people globally. The 300 largest cooperatives in the world are worth a combined value of US$1.6 trillion. Because cooperatives operate in the best interest of members, not shareholders, they are able to provide a range of services that may not be available from organisations with traditional company structures. You only have to look at the role that credit unions and building societies play in regional communities to realise the importance of cooperatives. Mutual banking institutions are accountable to their communities and can often be found serving regional communities long after the major banks have closed their branches and left town. Australian mutual banking institutions hold about $83 billion in assets and serve some 4.6 million Australians. Despite the significant size of the mutual sector, credit unions and building societies have the flexibility to meet the needs of their members because they do not answer to shareholders demanding ever-increasing profit growth. The International Year of the Cooperative secretariat explains the benefits of cooperatives by saying:

Co-operatives’ democratic structure often allows for more prudent business decisions to be made. Not being tied to the merry-go-round of short-term profits means co-operatives can invest in their businesses and their people. Co-operatives have strong links to the communities in which they operate and in which their members live. As such, they promote self-reliance of communities and are of general benefit to society.

In short, cooperatives often serve a dual role as both business entities and social enterprises. For this reason, cooperatives are a significant contributor to many Australian communities and they should be recognised.

Unfortunately cooperatives do not attract the same recognition or benefits as organisations with a company structure. In the past, cooperatives have missed out on some benefits available to companies. I have been advised by some cooperatives that the federal government’s Enterprise Connect program will only provide advice to organisations with a company structure; likewise, some state government industry advice programs are only available to companies. A number of other government programs, including the Social Enterprise Development and Investment Fund, do not appear to include cooperatives as eligible to receive assistance. Cooperatives are also disadvantaged by the current accounting standards, which treat members’ shares in a cooperative as a liability; in contrast, a shareholder’s investment in a company is seen as equity. The difference may materially impact on a cooperative’s ability to raise finance.

Cooperatives have also struggled to manage the range of different state-based regulatory regimes and laws. The states and territories are gradually moving towards nationally consistent cooperative laws but the process is taking some considerable time. I am pleased to note that New South Wales has recently passed new, nationally consistent cooperative laws. The law change will benefit around 680 cooperatives in New South Wales with a combined total of more than 1.5 million members. New South Wales is the lead jurisdiction for cooperative national law and it is now up to the other states and territories to get on board and pass similar laws. Once operating nationally, the new cooperatives national law will remove barriers and encourage growth in the cooperative sector. We need to have a seamless regulatory regime that does not punish cooperatives operating across state borders. I call on the states and territories to
pass the new cooperative laws just as soon as possible.

Cooperatives provide diversity and opportunity in the Australian economy. It is entirely appropriate that we recognise and celebrate the contribution made by cooperatives in Australia. I will conclude my remarks with a quote from UN Secretary-General Ban Ki-moon who said:

Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility.

I call on all members of this House to support this motion.

The DEPUTY SPEAKER (Ms Grierson): Is the motion seconded?

Mr Keenan: I second the motion and reserve my right to speak.

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (10:37): It is a pleasure to speak on this motion. I thank the member for Cowper for putting it forward and for his contribution on the matter of cooperatives in this country. The government greatly values the social and economic contribution that cooperatives make to this nation. Cooperatives do some excellent work in our community, and the government does some great things to support them in their work. As the motion notes, the United Nations declared 2012 the International Year of Cooperatives—the IYC—in recognition of the valuable contribution made by cooperatives to global social and economic development. This is a truly valuable contribution, and it operates not only at the global level but also very much on a local and national level.

The national peak body for cooperative businesses, Co-operatives Australia, has argued that the strong performance of member owned enterprises around the world during the global financial crisis has led in Australia to renewed interest in the cooperative business model and the benefits of doing business with a member and community focus. It is a little bit surprising—though maybe it is just a sign of a more sophisticated and complex world—that we drifted away from the cooperative model and the type of business focus that cooperatives have, which is often community based. But it is good to see now that people are once again returning to the cooperative model.

The International Year of Cooperatives provides a fantastic opportunity for Australia’s cooperatives to celebrate and promote their work. According to Australia’s International Year of Cooperatives Steering Committee, Australia has over 2,000 cooperatives and 113 mutual banking institutions owned by more than eight million people. So there is a very strong cooperative base and a very strong cooperative community, both of which are well supported here in Australia.

Cooperatives are defined by their member-ownership and member focused way of doing business. Former federal Labor Minister for Home Affairs and former New South Wales Attorney-General and minister for cooperatives Bob Debus AM is patron and supporter of the International Year of Cooperatives and has noted that ethical investment and corporate social responsibility are at the very heart of what cooperatives do. Ethical investment and corporate social responsibility are great things, and the former minister did a very good job of promoting them. I am sure that the member for Cowper had corporate social responsibility and social investment in mind when he drafted this motion, and I am sure that he shares this government’s strong commitment to promoting them.

Australia’s cooperatives operate across a diverse range of industries, including book
sales, clubs, cotton growing, dairy produce, fishing, fruit marketing, grain handling and marketing, labour hire, plumbing supplies, property sales, recycling, rural grocery and petrol supplies, sugar milling, taxis, tourism and wine sales. I am sure there are probably one or two others as well. Certainly cooperatives are diverse and significant, and certainly they form part of the basis of a very strong Australian economy.

The former Parliamentary Secretary to the Treasurer and number for Lindsay launched the International Year of Cooperatives on 22 November last year. To celebrate the role that cooperative organisations play in Australia, the government, through the Royal Australian Mint, released a commemorative one-dollar coin in January 2012. One of the goals of the International Year of Cooperatives is to 'encourage governments to establish policies, laws and regulations conducive to the formation, growth and stability of cooperatives'. I look forward to outlining some of the things that this Gillard government is doing to support cooperatives and the good work they do in our community.

The motion notes that some Australian government industry assistance is not available to enterprises with a cooperative structure. Industry assistance programs within the Industry, Innovation, Science, Research and Tertiary Education portfolio do not explicitly exclude cooperatives from eligibility; however, program guidelines sometimes restrict eligibility to incorporated bodies or bodies that are required to pay income tax, as most people would expect. For example, the R&D tax incentive can only assist individuals or bodies which are subject to tax, as entities obviously need to have a tax liability in the first place to benefit from the program. If a particular cooperative is not incorporated or is exempt from paying income tax, it will not be able to access most industry assistance programs. I can understand that most people would think that that is fair, because organisations which are not paying income tax already receive assistance and therefore an incentive.

That said, the government recognises the valuable role that cooperatives play in the Australian economy and is working to ensure that future industry assistance programs do not unreasonably exclude from eligibility business structures of any particular type. In the meantime, the government has introduced a number of key reforms across a range of areas such as not-for-profits, banking and regulation. These reforms will go a long way to assisting cooperatives in the valuable work they do. Most cooperatives are not-for-profit entities, and the government has an ambitious not-for-profit reform agenda which implements the most significant reforms the sector has experienced over the last century.

As of September 2009, there were 1,726 cooperatives registered across Australia—three-quarters of them established as non-profit entities. As part of the 2011-12 budget, the government announced that it would establish a regulator for the not-for-profit sector, the Australian Charities and Not-for-profits Commission—the ACNC. The government released draft legislation to establish the ACNC in late 2011 and has engaged in extensive consultation with the not-for-profit sector. This has included targeted consultation meetings in Sydney and Melbourne, attending ACNC task force road shows across the country and working with the Australian Taxation Office's Clubs Consultative Committee and Charities Consultative Committee and the Not-for-profit Sector Reform Council. Try to say all that in one breath!

While initially only tax-endorsed charities will be regulated by the ACNC, the
forthcoming ACNC bill establishes a regulatory framework which can be extended to all not-for-profit entities, including cooperatives, in the future. This will help to cut red tape and reduce regulatory burdens for cooperatives so that they can get on with the important work they do—and of which we are all supportive—such as delivering services to rural and regional communities.

In addition, as part of its Competitive and Sustainable Banking System package, the government is taking action to facilitate the competitive power of Australia's mutual credit unions and building societies. The government has introduced a government-guaranteed deposit symbol which informs consumers that the government guarantees deposits of up to $250,000 with any authorised deposit-taking institution—ADI—such as a credit union, a building society or a bank. Basically it means that the government guarantees that your money is safe. The seal is primarily aimed at supporting smaller institutions, like credit unions and building societies, in accessing and retaining depositor funding. The government's guaranteed deposits seal has been available from 31 January 2012. I am advised that, as of 21 June 2012, 97 ADIs have approached Treasury for information on the seal and 67 ADIs have been provided with the seal for use or display. Related to this, the Financial Claims Scheme applies to all ADIs that are incorporated in Australia and take deposits.

The FCS provides certainty to Australian depositors in credit unions and building societies that their deposits will be protected in the same manner as they would be if they were held by a bank. The government has introduced a new, permanent FCS cap of $250,000 per account holder, per ADI, which has applied since 1 February 2012. This will also help smaller institutions, like credit unions and building societies, by enabling them to demonstrate the safety of most of their deposit products.

As at 21 June 2012, the Australian Prudential Regulation Authority, APRA, has approved the applications of six mutuals, which are now marketing themselves as mutual banks—bankmecu, QT Mutual Bank, Defence Bank, Heritage Bank, Victorian Teachers Mutual Bank and Teachers Mutual Bank—while others are actively considering rebranding. By allowing mutual lenders to market themselves as mutual banks, the government is helping to educate consumers about the safety and competitiveness of mutual lenders. In the end, better competition means better value and better products for consumers, and that drives consumer protection as well.

Finally, I assure the member for Cowper that the government will continue working with the states and territories to implement nationally consistent laws governing the operation of cooperatives. In the past, discussion between the cooperatives sector and regulators about the need for reform of the current cooperatives legislation, including the need for improved consistency and simpler requirements for cross-border operations by cooperatives, led to the development of the Australian Uniform Cooperative Laws Agreement. We have also set up a consumer affairs forum and through that forum the states and territories have agreed also to work towards the introduction of Cooperatives National Law or alternative consistent legislation. While the Commonwealth is not a party to that particular body—we will have no regulatory role under the Cooperatives National Law—there are numerous points of interaction with Commonwealth corporations legislation for which we are responsible.

Once passed, this national legislation will greatly assist cooperatives in the work they
do and in making sure they comply. This is why government is encouraging the states and territories to work together to implement this national legislation as a matter of priority. I thank all the speakers who will speak on this motion and support the good work being done by the government.

Mr TEHAN (Wannon) (10:47): I rise today to support the motion of the member for Cowper, which notes: 2012 is the International Year of Cooperatives; there are two million more cooperative members in Australia than retail share investors; cooperatives create diversity in the Australian economy; cooperatives play an important role in delivering services to regional and rural communities; some Australian government industry assistance is not available to enterprises with cooperative structure; it calls on the government to support the role of cooperatives in Australian communities and to continue working with the states and territories to implement nationally consistent laws governing the operation of cooperatives.

My electorate of Wannon has some wonderful cooperatives in it. For instance, we have the Murray Goulburn Co-operative, which has its largest processing plant in Koroit, in my electorate of Wannon. Murray Goulburn was established in 1950. It is 100 per cent controlled by Australian dairy farmers and is our No. 1 exporter of dairy products. Its plant in Koroit, which I have visited, is state-of-the-art and enables liquid milk to come into the plant straight from a dairy farm and, within 24 hours, that milk is on a truck and on its way to the Port of Melbourne to be exported. It is a very good cooperative.

Wannon also has the Terang Co-op, which was made famous a few years ago by the two students who stood up to Julia Gillard and the Labor government and said 'you should not take our jobs away from us' after they were stopped from working after school for an hour and a half. As history has shown they fought that in court and won, and we got the employment rules changed for students working after school. It employs 110 full-time people. It creates wealth for the local region and distributes the profits it gets to local organisations and clubs. The Terang Co-op does a wonderful job.

Wannon electorate has the Casterton Community Co-operative, which is being set up, hopefully, to get the hardware store back and operating in Casterton. The Casterton hardware store closed down, sadly, a year and a half or two or three years ago now and so a group of volunteers has set up a cooperative, which they hope will get the Casterton hardware store up and operating again. It would be very beneficial to the town of Casterton.

We also have the Bendigo Community Bank operating in the electorate of Wannon. It has some cooperative branches at Avoca, Beaufort, Cobden and district, Coleraine and district, Dunkeld and district, Heywood, Maryborough, Willaura and Lake Bolac. The Avoca branch of the Bendigo Community Bank was so successful that it enabled it to expand into Maryborough. Once again these Bendigo Bank community banks do wonderful work because the profits that are made from these banks are fed back into the local communities and help strengthen these local communities. On the whole these cooperatives are operating in smaller rural and regional towns and pay money back into those communities, which is absolutely important.

I would like to commend the member for Cowper because the one thing we do need when it comes to cooperatives is for the states and territories to implement nationally consistent laws governing their operation.
We also have to make sure that we do not see the current government put more red tape on this sector because, as we have seen with their work of trying to reform not-for-profit organisations and charities, it is becoming a regulatory nightmare what those organisations are being confronted with. We do not want to see this government's penchant to overregulate every part of our society also creep into this area. That would be disastrous.

I would like to commend all the cooperatives in Wannon and also commend the member for Cowper for this excellent motion.

Ms OWENS (Parramatta) (10:52): I am really pleased to rise to speak to this motion, and I thank the member for Cowper for moving it. I have no doubt that in moving it he is aware of the work that the federal government has been doing in this area, and again I acknowledge his commitment to the sector in moving this motion.

I doubt that there are many of us in Australia that are not involved with one cooperative or another, although we may not understand exactly what that means. This International Year of the Cooperative is a really good opportunity for us as a community to improve our understanding of how extraordinary the contribution of this sector is. If you are or ever have been a member of a credit union, you have been associated with a cooperative. If you have been a member of the RACQ or the NRMA or called roadside assistance, you have also benefitted from some of our strongest cooperatives.

There are about 1,700 cooperatives in Australia, and it is amazing how large some of them are. In the top 100, we have co-ops like Co-operative Bulking Handling Ltd (WA), which turns over more than $2.63 billion; the Murray Goulburn Co-operative, which turns over $2.24 billion; HBF, which turns over $1.1 billion; and the Royal Automobile Club of WA, which turns over $656 million. So these are very, very large cooperatives. As you go down the list you see the RACV, the automobile club for Victoria; and the New England Credit Union, which comes in at number 52.

It is really quite an impressive list in which you will see most of the credit unions, the names of which you would recognise: the Teachers Credit Union, at over $100 million, and the Police and Nurses Credit Society. It is an incredibly impressive list. It includes housing co-ops and some food co-ops. I had the pleasure of being a member of a food co-op once, many years ago, up in the Blue Mountains and I used to go up there from time to time to buy from it because it focused on local supply of very fresh organic food. Again, across almost every area where people have an interest you will find co-ops forming.

I would like to talk a little bit about the issue of regulation, because the member for Cowper has included that in his motion. I would just like to reassure the member for Cowper that the government will continue working with the states and territories to implement nationally consistent laws governing the operation of cooperatives. In the past, discussion between the cooperative sector and the regulators about the need for reform of current co-op legislation, including the need for improved consistency and simpler requirements for cross-border operations by cooperatives, led to the development of the Australian Uniform Cooperative Laws Agreement. I have said before in this place how amazed I am sometimes at the inability of a person to cross a state border without running into a whole stack of new regulation. This was and still is another area where we have that concern.
The agreement requires that all states and territories apply proposed national template legislation or pass legislation which is consistent with the national legislation for the regulation of cooperatives. New South Wales is the host jurisdiction under the agreement, and I have seen some commentary on some of the co-op sites recently about the work that the New South Wales government has done in this area. The uniform template legislation, the Cooperatives National Law and its supporting regulations, was developed by the Ministerial Council on Consumer Affairs. The initial legislation, the Co-operatives (Adoption of National Law) Act 2012, containing the Cooperatives National Law, was passed by New South Wales and received assent very recently, on 18 May.

I note this development was welcomed by peak body Co-operatives Australia and their state based members. Again, I have seen how much traffic there has been on the websites that are dedicated to reporting on cooperatives in the last few weeks. While the regulation of cooperatives is the responsibility of the state and territory governments, the Australian government has supported the progression of the Cooperatives National Law through the Council of Australian Governments, which we know as COAG, Legislative and Governance Forum on Consumer Affairs, and the states and territories have agreed that they will continue to work towards the introduction of the Cooperatives National Law or alternative consistent legislation. It is quite appropriate that this work is being done this year, which is the International Year of the Cooperative. It is valuable work. It is work that supports an incredibly important part of our economy, one which I hope we will see greater recognition of this year.

**Mr COULTON** (Parkes—The Nationals Chief Whip) (10:57): I too rise this morning to speak in support of this motion moved by the member for Cowper. I also acknowledge the contributions made by other members. It is important to note that 2012 is the International Year of the Cooperative and that there are over two million more cooperative members in Australia than retail share investors. Cooperatives create diversity in Australia. They play an important role in delivering services to regional and rural communities. Some Australian government industry assistance is not available to enterprises with cooperatives, and we need to call on the government to support the role of cooperatives in Australian communities and to continue working with the states and territories to implement nationally consistent laws governing the operation of cooperatives.

This is the International Year of the Cooperative, and it is:

… an acknowledgement by the international community that co-operatives drive the economy, respond to social change, are resilient to the global economic crisis and are serious, successful businesses creating jobs in all sectors.

That was a quote from the website of the International Year of the Cooperative. To quote Secretary-General Ban Ki-moon of the UN:

Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility.

One of the three goals identified by the UN in the International Year of the Cooperative was to encourage governments to establish policies, laws and regulations conducive to the formation, growth and stability of cooperatives. This is exactly what the member for Cowper's private member's motion calls on the government to do. There are three main areas where cooperatives have been found to have the most value: (1) poverty reduction, (2) employment generation, and (3) social integration. In my
electorate, one of the largest cooperatives was established way back in 1962 at the start of the fledgling Australian cotton industry by a group of growers at Wee Waa. The Namoi Cotton Co-operative is now Australia's leading cotton processing and marketing organisation. Namoi Cotton has a mission statement to 'deliver quality products and services to our customers and members'. Namoi Cotton employs 120 full-time staff and over 300 seasonal and casual employees. In 1998 Namoi Cotton was the first entity to be listed on the Australian Stock Exchange while retaining its cooperative status. In 2010 Namoi Cotton ginned 516,000 bales and in 2011 1,058,000 bales—that is including the ones they did with joint ventures. The social engagement of Namoi Cotton extends to industry groups such as Cotton Australia, the Australian Cotton Shippers Association, the Australian Cotton Ginners Association, the Regional Cotton Growers Association, Moree Trade Show, Agquip, and water users groups. Namoi Cotton also encourages staff to participate in charity causes. I have to say that in the Namoi valley area, Namoi Cotton are very much part of the local community.

In 2011 Namoi Cotton's achievements were: effective maintenance of margins through efficient and sustainable ginning operations; extensive recruitment and retention of industry-leading cotton-ginning employees; increased throughputs and efficient turnaround times for growers despite the large volumes; successful implementation of its patented round module handling technology at a further five ginning sites, providing uninterrupted handling and seamless processing of 36 per cent of ginning bales in round cotton module form—and that will soon be up to 80 per cent and then, with the changes in technology, it will probably be up to 100 per cent before much longer. Namoi Cotton is predicting a record year in 2013 with an Australian cotton crop of 4.6 million bales—so cotton is doing very well at the moment in my electorate.

Another important role of cooperatives in my electorate is in the finance sector. The member for Parramatta mentioned some of the credit unions, and some of those that she mentioned operate in my electorate as well. One of the success stories is the Bendigo Bank. It has come into communities—the one that comes to mind is Gilgandra, where some of the mainstream financiers had left the town—and, with its community engagement, it has become very much part of the community—in that case, the Gilgandra community. The credit unions that come into communities right across my electorate are also very important.

Ms Saffin (Page) (11:03): I thank the honourable member for Cowper for his motion and for giving us the opportunity to speak on the International Year of Cooperatives. I am pleased to be able to talk about some of the excellent work that cooperatives do in our community, and also to speak about some of the good work that the government is doing to support cooperatives. The motion correctly draws our attention to the fact that the United Nations declared 2012 the International Year of Cooperatives. This recognises the valuable social and economic contributions made by cooperatives at local, national and global levels, particularly in the area of development.

Some of the comments that I make will closely echo what others have said in this place, because we share the same sentiments and the same views about cooperatives. There is sometimes a view that cooperatives are a bit old-fashioned and that they are no longer relevant in our day and age, yet when we have a look at what they do, how many of them there are, and how many people own
them and are represented by them, we see that that is just not correct. According to the United Nations International Year of Cooperatives National Steering Committee—Australia, 'Australia has over 2,000 cooperatives and 130 mutual banking institutions that are owned by more than eight million people.' That is a lot of people.

We have just heard the honourable member for Parkes speak about some of the financial institutions with reference to the contribution by the honourable member for Parramatta referring to the Bendigo Bank. That is an institution that I know well, as the Bendigo Bank also operates in my seat of Page. Not only is it providing a good financial and banking service but also it is very involved in the community and in various community initiatives.

I am sure that when the honourable member for Cowper was drafting the motion, he had in mind that it was the International Year of Cooperatives. Australia's cooperatives operate across a diverse range of industries including agriculture, services, rural grocery and petrol supplies, sugar milling—a very important industry in my area—taxis, tourism and wine sales. I also note that the Australian government through the Royal Australian Mint released a commemorative one dollar coin in January 2012.

I would like to talk about industry assistance. The honourable member for Cowper notes in his motion:

... some Australian Government industry assistance is not available to enterprises with a cooperative structure ...

Industry assistance programs within the Industry, Innovation, Science, Research and Tertiary Education portfolio do not explicitly exclude cooperatives from eligibility; however, program guidelines sometimes restrict eligibility to incorporated bodies or bodies that are required to pay income tax. If it is a question of guidelines, they can be changed. But, for example, the R&D tax incentive can only assist individuals or bodies subject to tax, as they obviously need to have a tax liability in the first place to benefit from the program. Where a particular co-operative is not incorporated or is exempt from paying income taxes, it will not be able to access most industry programs. That said, the government recognises the valuable role that cooperatives play in the Australian economy and is working to ensure that future industry assistance programs do not unreasonably exclude any particular business structure from eligibility.

I note in relation to the clean energy programs that the cooperatives in my area, Norco and Northern Co-operative Meat, are both eligible to apply for assistance under these particular programs and packages. I was involved in checking that they were eligible. So it is not restrictive across the board. In the meantime the government has introduced a number of key reforms across a range of areas.

Debate adjourned.

**Pension Assistance**

Ms OWENS (Parramatta) (11:08): I move:

That this House:

(1) notes that:

(a) after almost 12 long years of inaction by the former Australian Coalition Government, the current Australian Labor Government has delivered historic pension reforms that have provided increases of $154 per fortnight for max-rate single pensioners and $156 per fortnight for max-rate pensioner couples;

(b) the NSW Government increased public housing rents for pensioners in 2011, taking away some of the Australian Government’s 2009 pension increase;
(c) the Australian Government is delivering extra assistance to millions of Australian pensioners through the Household Assistance Package;

(d) this new assistance is being delivered as a stand-alone pension supplement, separate from the base pension rate, so that pensioners living in public housing could receive the full benefit of this assistance without it affecting their social housing rents; and

(e) the NSW Government has announced that it will include this assistance when calculating social housing rents from March 2013, meaning pensioners living in public housing will not receive the full benefit of the Australian Government’s assistance.

(2) condemns the NSW Government for increasing rents for about 84,000 NSW pensioners and taking away part of their pension increase; and

(3) calls on the Opposition to guarantee it would not take away the pension increases as part of the Household Assistance Package if in government.

The DEPUTY SPEAKER (Ms Grierson): Is the motion seconded? I recognise the member for Hayes.

Mr Hayes: I second the motion and reserve my right to speak.

Ms OWENS: I rise unexpectedly, I guess, given the calibre of our new state government in New South Wales, to condemn that government for increasing rents for about 84,000 New South Wales pensioners in public housing and taking away part of their pension increase. Unfortunately, this is standard behaviour for this particular government.

After almost 12 long years of inaction by the former Australian coalition government, the current Labor government delivered historic pension reforms that have provided significant increases to pensioners: $154 per fortnight for the maximum rate single pensioners and $156 per fortnight for maximum rate pensioner couples. That was delivered in 2009. Then, in 2011, after Premier Barry O’Farrell became Premier of New South Wales, he put his hand in the pockets of those pensioners and took some of it for himself by increasing public housing rents.

Now we have a supplement coming through to pensioners of $250 for singles and $380 for couples, paid as a separate pension supplement because it is designed to compensate pensioners of all kinds—including disability pensioners and seniors pensioners—for what will be a modest increase in costs due to the price on carbon. In fact, it is due to overcompensate them for that modest price. But, once again, we have the Premier of New South Wales putting his hand into the pockets of pensioners and declaring that once that supplement becomes part of the base rate, in March next year, he will claw some of it back for himself. It is without any doubt a grubby cash grab on the part of this Liberal New South Wales government.

Many pensioners are doing it tough—we know that. They live on fixed incomes. They are aware every day of which prices are going up and which prices are not. For many, many years they were neglected by the Liberal government at the federal level. It is only since the Labor government came to power that their interests have been considered and large increases have been given. And, once again, we see the true character of the Liberal government in New South Wales in their willingness to put their hands into the pockets of pensioners and rip out whatever small benefit we might give them.

The irony in this is that if we gave this as a cash upfront supplement, in the way that the Howard government did from time to time, it probably would not be anywhere near as easy for a state Liberal government
to rip some of it away. It is also in many ways politically more beneficial to pay it as a lump sum, because when the cheque arrives in the mail or the money arrives in the bank account you get the absolute recognition that this government did it or that government did it. So, politically, it is probably smarter to do it as a one-off payment rather than build it into the base, and that would also prevent the New South Wales government from making this grubby cash grab. But it is better for the pensioners if you build it into the base. That recognises that pensioners need to manage their budgets, and if it is built into the base they know exactly what they are getting on a weekly basis and can make their own choices about how they do that.

So if you do it the best way for the pensioner you get a grubby New South Wales government doing their best to take some of it back. This is appalling behaviour and I can tell you that the pensioners in my electorate—and there are over 3½ thousand of them—are very angry about this. I have also talked to my colleague Michelle Rowland, the member for Greenway, who is at home at the moment with her quite gorgeous new baby. She has been working very hard in her electorate on this, visiting public housing estates, writing to the Premier and talking to her pensioners, as I have been talking to mine, and I can tell you that the anger out there among pensioners in public housing is quite extraordinary. What an act from a state government that pretended in the election campaign they would be a warm and fuzzy government—the minute they were elected they put their hands into the pockets of pensioners to take money out. This is a money-grubbing act from a money-grubbing government. I condemn the New South Wales government for it. And I call on the opposition to guarantee that they will not take away this pension increase as part of the household assistance package if they are elected. *(Time expired)*

**The DEPUTY SPEAKER:** Before calling the next speaker I apologise to the member for Fowler for incorrectly calling his title.

**Mr Hayes:** I was flattered.

**Mr SECKER** (Barker—Opposition Whip) (11:13): I think 'the member for Hayes' has a very good ring to it, and perhaps we may see that one day; it would be great recognition of the present member for Fowler's contribution to this parliament. Turning to the motion, I think it is extraordinary that the member for Parramatta talks about this increase as being somehow unique to a coalition New South Wales state government when in fact the previous state government in New South Wales, a Labor government, did the same thing for 16 years and the present South Australian Labor government has been doing the same sort of thing for 10 years. That is why the Howard government on many occasions used lump sums and special allocations—to avoid state governments taking their share of any increases in pensions. So this is nothing new. This has been around for a long time, and if you look at the New South Wales government, they are saying that they are actually $5 billion worse off in GST payments in the latest budget figures, and of course they are not getting compensation for the carbon tax. If we did not have a carbon tax, none of this would arise anyway.

Let's look at 1(a) of the member for Parramatta's motion, talking about how, supposedly, the Howard government ignored pensioners for nearly 12 years. It was, in fact, the Howard government that changed the pension system to 25 per cent of the MTAWE, the male total average weekly earnings, instead of the old CPI increases. The MTAWE rate was a much higher rate.
That built up, and, by the time the Howard coalition government lost power, that would have meant in real terms over the period of those increases $80 a week more than if we had stuck to the old Labor Party system. We had increases twice a year at higher than the CPI and so in real terms we increased pensions continually. Politically, it might have been smarter to do that every six months and say, 'Here we are, we are giving you a bit extra,' but we put it into the system so that pensioners always got that increase.

If you want to look at how Labor has acted, in 2008 the coalition proposed a private members' bill to provide a $30 a week increase in the single age pension, and guess what—the Labor government with all its numbers opposed this bill and used its numbers in parliament to defeat it. The coalition's ongoing pressure eventually forced this government to award pensioners an increase in the 2009 budget, leading to the permanent increase in the pension to 27.7 per cent of MTAWE. It was only under our pressure that they actually folded, because we remember the present Prime Minister saying in cabinet that we should not give increases to the pensioners because they were going to vote for the coalition anyway. That is the sheer hypocrisy of this government. It talks about giving pensioners increases when the present Prime Minister said, in a dirty political attitude, 'We shouldn't give them increases,' because they were only going to vote for the coalition. So let us not get too high-handed or uppity about who is doing the best job for pensioners. I believe that every member of parliament wants to look after pensioners. Sometimes you can afford it and sometimes you cannot, but that does not seem to worry this present government.

The coalition certainly has huge concerns with the proposed carbon tax for pensioners and self-funded retirees, because they will be the hardest hit as they are on fixed incomes. There will be a huge hike in electricity bills; we know that. In New South Wales there will be an increase of 18 per cent, and 18 per cent is forecast for South Australia. The problem with this situation is that self-funded retirees on over $50,000, which is not a huge amount of money, will not get any increase whatsoever. (Time expired)

Ms HALL (Shortland—Government Whip) (11:19): Firstly, I would like to congratulate the member for Parramatta for bringing this exceptionally important motion to the House. Secondly, I would like to encourage the New South Wales government to rethink the position that they have taken on this issue. In doing this, I would have to acknowledge that the New South Wales government has blatantly disregarded pensioners living in public housing. I suppose I should also add that the coalition side of politics really has blatant disregard for anyone on a low income and has not delivered to pensioners in the past.

The previous speaker was talking about pension increases. I would have to say that it is the Rudd-Gillard government that has delivered the biggest increase to pensioners since the pension was introduced in this country, and on this side of the House we are extremely proud of that. We are very proud because we know that pensioners have served our country well over the years and, as such, they deserve to have a decent standard of living.

This brings me to those pensioners that are living in public housing in New South Wales. As I have already said, what is happening is a disgrace, a cruel cash grab by the New South Wales government. It demonstrates the difference in the way the Labor Party and the coalition parties think about pensioners and their commitment to pensioners. When the historic increase in the
pension came into being, the New South Wales government, then a Labor government, did not include the increase and hike up the rental for people in public housing. They realised that pensioners have been doing it hard and, as such, they recognised the fact that pensioners deserved this one-off increase in their pension to be left out of public housing rent increases. Now how different it is with Barry O'Farrell in government in New South Wales. Instead of accepting a payment that is put in there to actually compensate for the cost increase that pensioners will incur due to the introduction of a price on carbon, what is Barry O'Farrell doing? He is including it as income when calculating rental. I have before me a letter that the state member for Swansea sent out to one of my constituents, who was extremely upset about the tone of this letter. In this letter the state member for Swansea highlights the fact that money is needed for vital maintenance of public housing. I share with this parliament the fact that the Rudd and Gillard governments' record of investing in public housing is second to none.

Under the previous Howard government public housing was ignored and there was no investment in public housing whatsoever. What the Howard government did was put in place programs and strategies that made it harder for pensioners and did nothing to help the people that were living in public housing. They did nothing to cut the waiting list. They did nothing but cut the amount of money that was being given to the states for public housing. Public housing tenants were ignored. I think the bottom line is that those on the other side of this parliamentary chamber think that public housing tenants are second-rate citizens and they feel that they are not going to vote for them so they can totally disregard them and rip out of them every bit of money they can. I can tell them that the more than 1,800 pensioners that live in public housing in the Shortland electorate deserve better. They deserve better than what Barry O'Farrell is doing, and I will certainly be in there fighting for them to see that they do not have to suffer this sort of—

(Time expired)

Mr CRAIG KELLY (Hughes) (11:24): This motion that has been moved by the member for Parramatta is just another example of a Labor government that simply does not get it. They simply do not have a clue. The first part of this motion refers to the so-called 'almost 12 years of inaction by the former Australian coalition government'. Well, something that this current government conveniently and continually overlooks is that when the former coalition government came to office they inherited $96 billion worth of Labor debt. And the former coalition government paid back every single cent of that $96 billion. What often gets forgotten is that they had to pay back the interest as well—close to $40 billion in interest.

So for members of this current Labor government to have the call to come into this chamber and talk about the inaction of the previous coalition government is an absolute disgrace. If it were not for the reckless and wasteful spending of previous Labor governments, the last coalition government would have had an additional $140 billion-plus to spend on the social programs and vital infrastructure we need around the nation. Further, for members of this government to try and make a song and dance about increasing pensions—when what they have had is the four largest deficits in our nation's history and a cumulative $175 billion debt that future generations will have to pay back, and pay back with interest—only further demonstrates how completely clueless this current government is.
This motion also refers to 'historic' increases. Pensioners have certainly experienced historic price increases since this Labor government has come to office. Let us have a look at a few. Since Labor came to power, pensioners have seen health costs increase by 25 per cent. Since Labor came to power, pensioners have seen gas prices increase by 39 per cent. Since Labor came to power, pensioners have seen water and sewerage prices increase by a whopping 59 per cent. Most shamefully of all, since Labor came to power, pensioners have seen electricity prices skyrocket by an incredible 66 per cent, driving many pensioners into fuel poverty, being unable to afford to turn on their heater on a cold winter night—and certainly recently we have had some cold winter nights. In fact, here in Canberra, the last May was the coldest May in over half a century. As for this massive, 66 per cent, increase in electricity prices, this is all before the carbon tax even hits—the carbon tax that the Prime Minister promised before the last election she would not introduce.

The second part of this motion cries crocodile tears about the New South Wales government increasing rents for about 84,000 New South Wales pensioners. But why have the New South Wales government been forced to make this difficult decision to increase housing rents while they try and fix up the mess that they have inherited from the previous state Labor government? It is simple: it is because of the carbon tax. The entire premise of this motion is another example of a government in denial about the effects of the financial burden of the carbon tax.

The New South Wales state government currently provide social housing for around 290,000 people, including 84,000 pensioners, and after 16 years of Labor's mismanagement there are still an additional 56,000 households on the waiting list. These homes provided by the New South Wales government have to be maintained and modernised on an ongoing basis. That is what this Labor government simply does not understand. This ongoing maintenance will be made more and more expensive by the carbon tax. Take every nail, every screw, every can of paint, every bag of cement, every tap handle, every piece of timber, every sheet of plasterboard, every tile and every kitchen upgrade: the carbon tax will make it more and more expensive. That is why, unfortunately, housing rents have got to go up.

But, of course, it is only going to get worse. Under a Labor government we will see the carbon tax go up and up every year, forever. It starts at $23 a tonne but by 2050 it will be $350 a tonne. So if members of this government are truly concerned about the pension the answer is simple: get rid of the carbon tax. (Time expired)

Ms GRIERSON (Newcastle) (11:29): I rise to speak on the appalling actions of the New South Wales coalition government, led by Premier Barry O'Farrell, actions that rip much needed cash out of the hands of struggling pensioners. It was, after all, the Australian Labor Party that first introduced the age pension, and our federal Labor government is proud of the reforms we have delivered since forming government in 2007. In 2009 we delivered the greatest increase to the pension in 100 years. Since this time we have increased the maximum rate by $154 per fortnight for singles and $156 for couples combined. This is definitely helping pensioners with essential items and essential bills such as food, electricity, water and rent.

Pensioners have recently received a lump sum supplement payment from the federal Labor government over the past few weeks of $250 for singles and $380 for couples as part of the household assistance package.
Pensioners will also receive a permanent increase to their regular payments in March next year. Altogether, single pensions are increasing by an extra $338 a year and couples are receiving an extra $510 a year combined. The increases Labor has delivered are historic and will continue to assist immensely after years of social welfare neglect by the Howard government.

For pensioners living in public housing in New South Wales, 25 per cent of their pensions go towards rent. Our supplement payment was delivered as such to ensure that it would not be included as income for rent payments. Premier O'Farrell and his coalition government have announced that from March 2013 they will erode federal Labor's pension boost and household assistance by increasing public housing rents, taking money straight out of the pockets of public housing tenants. These are people who we know are already doing it incredibly tough, and Premier O'Farrell should know that. After all, he and his family lived in a New South Wales housing commission flat in the mid-1960s. He knows there is nothing glorious about such living and that those living in public housing need all the help they can get. These are not people who live in excess. If anything, they barely scrape through to make ends meet.

This grubby cash grab by the O'Farrell government means that a single person on the maximum rate of pension will now pay an extra $84.50 a year in public housing rent. Around 84,000 pensioners across the state will be affected by this indefensible increase. The member for Shortland made the point that we have invested so much in public housing. It was neglected in the Howard government years. In my electorate alone it is $30.8 million. A lot of that was for affordable rental housing and a lot of it was to maintain and restore state government properties. I wonder about the New South Wales government already being serial offenders. Wherever we put in funding, they withdraw, and I suppose that is one of the things that has led the member for Parramatta to put this motion forward. We are becoming increasingly frustrated by the continuing neglect of the state government in very important areas. In my region there are 8,500 pensioners living in public housing—people who will have part of their assistance payments taken away.

But pensioners are not the only people under fire. The recent state budget included nothing for improved oncology services for Newcastle's Calvary Mater Hospital, even though a report commissioned by the New South Wales government found that it was in absolutely serious need of additional funding. Cancer patients in the Hunter region are typically waiting around four or five weeks to access treatment that is available the next day in Sydney. That is a shameful snub for our people but it is also tragic.

That is the sort of example that increases our frustration with the O'Farrell government. Again, $93 million has gone into my electorate for Building the Education Revolution improvements to schools, so what does the O'Farrell government do? It reneges on its promise to replace demountable buildings. The Junction Public School, where I was proudly once a teacher and a parent, had so many demountables after the earthquake and they are still there. They have been waiting much too long, and they will continue to wait under this New South Wales O'Farrell government.

The New South Wales government is driving us nowhere, apparently. Not only is it ripping cash out of the pockets of pensioners but also it is ripping cash out of the roads budget by not matching the Pacific Highway funding of the federal government. We all know the O'Farrell government's below-the-
belt attacks on workers' compensation will never be forgotten either. With just over a year of government I can only say that the people of my electorate have been very sorely served by the O'Farrell government.

Mr EWEN JONES (Herbert) (11:34): For this government to be standing here and giving itself a big pat on the back for giving pensioners some assistance is the latest in a long line of the world's best examples of hubris. Overbearing pride and arrogance are at the heart of this poor government. The fact is that the government has introduced pension increases, as the member for Parramatta has outlined in her motion. However, it is also a fact that this government has belted pensioners around the head with rules, regulations and extra taxes that have made them worse off than before. It is interesting to note that the compensation for the carbon tax will be taken as income assessment for public housing, so the rents will go up in accordance with income assessment from the carbon tax.

To give the ministers of this government another movie quote that they can use, 'What we have here is failure to communicate.' Let us see them come in here and tell the truth. We have seen the Minister for Employment and Workplace Relations laud himself that that side of the House deals in the truth. Look at the millions of dollars used by this government to tell people about the free money they are going to receive. Look at the ads which do not mention the words 'carbon' or 'tax'. Why not come clean and just tell them that you think they will fall for this handout? Why not just tell them in an ad that says: 'Look, the Greens said they would support us if we introduced a carbon tax. It is that simple. It was either that, or they would take their support and go to the Leader of the Opposition, Tony Abbott, and tell him that they would help him form government.' And we laughed and we laughed and we laughed. Yes, that was going to happen! Of course they would not.

This was okay by the Prime Minister all along. It was no deal they had to make to remain in government. They knew that to go to the electorate to tell them they would introduce an economy-wide tax on carbon, which would eventually drive electricity prices up so high that solar and wind power would become competitive, would lose them the election. So they stood there and covered the media with great big porky pies straight down the barrel of the camera. The Prime Minister and the Treasurer kept a straight face when asked whether they would introduce a carbon tax. 'No, no, no,' came the response repeatedly in the last week of the campaign.

I was contacted by a self-funded retiree recently. She was listening to a radio interview between Mr Shorten, the Minister for Employment Workplace Relations, and Alan Jones. Mr Jones was asking about the plight of self-funded retirees. The member for Maribyrnong duly assured Mr Jones that he would raise these concerns with the Treasurer. This was some weeks ago. We are now six days away from the introduction of the carbon tax and we have heard nothing from either of these men on the plight of self-funded retirees.

What is the truth? The truth is that compensation for tax is not compensation at all. Extra money paid out by borrowing is not compensation; it is a yoke around the neck of the next generation. This government, and the Labor state governments of New South Wales, Queensland and Victoria, have racked up huge amounts of debt and they have to be repaid. This government and the member for Parramatta simply cannot have it both ways. You cannot continue to borrow against future generations and then decry attempts to
rein in spending—much like this government’s last budget, where it claims to have cut things to the bone while lifting spending to a new high.

The truth is that this government is attacking pensioners with the world’s biggest carbon tax and with red tape and regulation which are making it harder to make ends meet. Let’s be very clear about this: the compensation being offered to some stops at the front door, even for those people who are getting it. Who pays compensation to the Townsville City Council for the carbon tax? No-one pays compensation to the Townsville City Council for the carbon tax. No-one pays compensation at all to the shops, building firms or house builders. You have to be in a marginal Labor electorate for industry to be given any sort of assistance by the government. The Leader of the Opposition railed about the dangers being faced by the steel industry. The government has come forward with another $300 million for the steel industry, but only for those places controlled by the AWU. Places in my electorate like Pacific Coast Engineering and Wulguru Steel get nothing, but they have to pass their costs on.

My butcher does not get any compensation for the carbon tax, so the pensioners who go to my butcher because they get good service get nothing back. Those costs have to be passed on. Tropical Ice in my electorate are facing huge increases to their electricity costs. Those costs are passed on to the occupants of public housing. All those small business expenses will be added to the costs of being a pensioner in today’s society. Australia has an ageing population and the challenges we face are huge. We need leaders who will provide hope, reward and opportunity to all in this society. *(Time expired)*

**Mrs ELLIOT** (Richmond—Parliamentary Secretary for Trade) *(11:39)*: I am very pleased to rise today to support the motion by the member for Parramatta. I start by saying how proud I am to be a member of this federal Labor government, which has delivered the most comprehensive and unprecedented increase in the age pension in its 100-year history. We are very proud of this achievement by the federal Labor government.

Since 2009, this government has delivered increases to the maximum pension rate of about $154 per fortnight for singles and about $156 per fortnight for couples combined. Why did we deliver these historic increases? We realised that after nearly 12 long years of neglect by the Howard coalition government action had to be taken. The federal Labor government understood that our pensioners, the people who built this country, needed greater support to make ends meet. We listened to their concerns and addressed them by increasing the pension. It cannot be overstated that these increases are an unprecedented and unrivalled reform that could only have been delivered, like all the great social reforms in this country, by a strong federal Labor government.

The reforms have continued. As part of our household assistance package, pensioners have received a lump sum payment over the past few weeks of $250 for those who are single and $380 for couples. Pensioners will also get a well-deserved permanent boost to their regular payments in March next year. In total, single pensioners are receiving an extra $338 a year and couples are receiving an extra $510 a year combined.

What is the coalition’s response to all of that? Of course they are opposed to it. Like everything else, they are opposed to all of these increases and opposed to helping
pensioners. What is worse, if we look at the very scary prospect of the coalition getting into government federally, we see that they will take away these increases. In my electorate, that will affect nearly 30,000 pensioners, who will have their pensions ripped away from them by the federal Liberal and National parties if they get into government. Certainly many locals in my area know that is the reality if they get into government.

We see the same degree of callousness from the New South Wales state Liberal-National government. Recently, we had the Premier, Barry O'Farrell, telling pensioners in public housing that he is going to take away their payment by incorporating this well-deserved increase into the calculation of their public housing rents. It is absolutely appalling. It is not enough that in the federal parliament we have the Leader of the Opposition voting against historic increases; now we have his state Liberal-National colleagues ripping this money straight out of pensioners' hands already. In fact, the New South Wales state Minister for Family and Community Services, Pru Goward, in a media release dated 14 June 2012 stated:

… from March 2013 regular fortnightly carbon tax payments will be taken into account for the purposes of calculating heavily subsidised social housing rents.

The New South Wales state government knows full well that the federal government has delivered this increase as a separate pension supplement so that it would not be included when the state government calculated public housing rents. What does this action really mean for pensioners? It means that a maximum rate single pensioner will now pay an extra $84.50 a year in rent. That really is an appalling imposition on people in public housing.

In my area, the local National Party MP, the member for Tweed, Geoff Provest, blatantly denies what he and his government are doing. First of all, he does not listen to the plight of pensioners, who are doing it tough, but then he contradicts his own government. In a statement to the local press on 20 June, Mr Provest completely contradicted Minister Goward and denied that supplementary pension payments would be included in the calculation of public housing rents by stating:

… the lump sum carbon tax compensation payments have not been counted as income for rent purposes.

This is completely untrue and a total lie, but that is what he does—contradicts his government.

It gets worse when we look at the history of a local state member like Geoff Provest and at some of the comments that he made in the New South Wales state parliament prior to his government being elected. On 22 June 2010 in the New South Wales state parliament, the member for Tweed, Geoff Provest, condemned the then state government for doing exactly the same thing and increasing public housing rents. He stated:

There is simply no way the Commonwealth will tolerate a clawback of that one-off pension increase by the states for pensioners in public housing—

which is exactly what they have done. To quote further, and this really is appalling:

Aged pensioners need our support. They do not need people from both sides of this House trying to take their last cent and trying to erode their quality of life.

That is it exactly what he and his government are doing. It shows what a total hypocrite he is that they are now trying to take that money away from people in public housing.

The New South Wales Liberal-National government should hang their heads in
shame for what they are doing. It is a dirty, grubby backflip that is impacting on many pensioners in my electorate. We are seeing very harsh actions at the state level, and we would see these actions also at a federal level if the Liberal-National coalition were ever to form federal government. In contrast to all that, the federal Labor government delivered historic increases to pensions. (Time expired)

Mr McCormack (Riverina) (11:44): For a motion such as this to be put up by a government such as this smacks of hypocrisy, it reeks of negativity and it is unnecessarily unhelpful at a time when this parliament could and should be using its valuable time discussing matters of importance to Australia. Today we should be finding a solution to the illegal boat problem, given that we have already had 4,568 people land on our shores this year and authorities are presently undertaking the grim task of finding up to 90 bodies in the latest tragedy. We should be talking about constructive ways to help the taxpayers of this nation—working families; regional families.

Instead, Labor is trying to muckrake, and the trashing of the New South Wales government continues. In recent weeks, without justification and without warning, federal Labor has gone on an all out attack against the state coalition. Not content with trying to smear the federal opposition at every opportunity, Labor has turned its sights on the Barry O'Farrell—Andrew Stoner Liberal-National government, which has been in office only since March last year after 16 years of the worst, the most inefficient and the most corrupt government this nation has ever known.

Pensioners always need more to keep pace with the increasing costs of living. We did our best as a coalition from 1996 to 2007, yet Labor, by racking up huge debt and deficits, has not helped pensioners since taking over the treasury bench under Kevin Rudd, who was unfairly ousted two years ago yesterday. To suggest that Labor—under either the member for Griffith or, since the 2010 coup, under the member for Lalor—has done better than the Howard years is simply false. The current Prime Minister said Labor was the party of truth sellers. Not so. But do not take my word for it. The member for Parramatta, instead of peddling misleading motions with mischievous intent, ought to be out asking pensioners what they think. Certainly the pensioners I listen to tell me they are doing it tough lately.

This government is in no position to lecture anyone about what the Howard government did or did not do when it has overseen four record budget deficits, when it is looking at net public debt for 2012-13 of $143.2 billion, when the interest on its debt for the next financial year will be $12 billion and when taxes for the coming 12 months will be up by $39 billion.

Australian pensioners—the aged, the disabled, the unemployed and the underemployed—are very nervous right now. They are deeply worried about where this country is heading. They are anxious about how they will afford groceries, petrol or the power bill. They are concerned about how they will pay their rent. And they have reason to be upset.

Federal Labor inherited a massive surplus in 2007 but has sent Australia a long, long way into the red—so much so, it will take years to undo the damage. Conversely, the New South Wales coalition was left with a mess after 16 years of Labor government under Bob Carr, Maurice Iemma, Nathan Rees and Kristina Keneally—16 years of Sussex Street factionalism that saddled New South Wales with an economic malaise the pieces of which no incoming government should have to pick up and repair. But the
O'Farrell-Stoner government and its dedicated and enterprising team are getting on with the job of making New South Wales No. 1 again. The state coalition has made some tough calls because it has had to do so. Balancing the books is the coalition way—at both state and Commonwealth levels. Labor governments are renowned for out-of-control spending like there is no tomorrow because they know they will not pay it back—prudent, resourceful coalition governments would do that and the hardworking taxpayers will pick up the tab as they always do.

This discrediting of what the New South Wales coalition is trying to achieve after it was burdened with such a debt, such a big clean-up to do, such an atrocious state of affairs, is typical of this federal Labor government. If it can see a chance to politically point-score, it will take it. Is it doing so because it hopes it will save seats in New South Wales at the next election? Is it doing so because the Sussex Street powerbrokers have demanded it be so? Is it doing so because it likes to meddle with the truth? Probably all of the above. Next Sunday the biggest slug Australian pensioners will face comes into effect. Not surprisingly, Labor cannot say the words 'carbon tax'. Its members call it 'carbon pricing'—because they have to. They have been given their riding orders from Sussex Street and the Greens, to whom they are beholden. The carbon tax will not save the planet but it will make everyday living so much more expensive for the pensioners of the Riverina and pensioners right across Australia. It is a disgrace, and the carbon tax will be repealed when the federal coalition wins office at the next election.

Mr MELHAM (Banks) (11:49): I rise on behalf of the 2,742 pensioners living in public housing in my seat of Banks to support the private member's motion proposed by the member for Parramatta. In September 2009 the Labor government delivered the biggest increase to the pension in its history and delivered a fairer system that made sure the pension kept up with living costs. Since 2009 Labor has increased the maximum rate pension by $154 a fortnight for singles and $156 a fortnight for couples combined. The 22,800 pensioners living in Banks have received a lump sum payment from the federal government over the past few weeks of $250 for singles and $380 for couples. Pensioners will also get a permanent boost to their regular payments in March next year. In total, single pensioners are receiving an extra $338 a year and couples are receiving an extra $510 a year combined. This includes people in the local community receiving age, disability and carer pensions, as well as veterans' income support recipients.

Pensioners in public housing in New South Wales pay 25 per cent of their pension as rent. We have recently heard the announcement by the New South Wales government that it is its intention to increase public housing rents. This federal government, a Labor government, delivered the increase as a separate pension supplement so it would not be included when the state government calculated public housing rents, which has been the accepted practice for many years. The New South Wales Liberal government's decision means a maximum rate single pensioner will now pay an extra $84.50 a year in rent. I have to ask myself where the local state members for Oatley and East Hills were when this decision was proposed. This increase was imposed and, at the same time, they crow about what they have done for their electorates since the election—much of which was misleading because it was Commonwealth money. That is now evident—it has been completed—but they claim credit for it. In reality, when it
counted, they could not genuinely assist the vulnerable in their electorates because they were missing in action. We must not forget that it has been the Labor government that have taken the lead in introducing profound social security reform. The conservative side of politics has no such proud history—rather, the contrary.

The reason this is a pernicious grab—theft—by the state Liberal government is that the supplement that has been given to pensioners in public housing is to offset and to compensate for increases that they may pay as a result of the introduction of the carbon tax. It is not a situation where we are looking at increases as a result of CPI. In the past, the net result has been that 25 per cent of those increases are grabbed by the state government in relation to public housing rent. What you are going to have here is a situation where pensioners in public housing are actually going to be worse off because they are going to have the impost of costs that flow from the introduction of the carbon tax—we have said that from day one; we have been honest—but they are also going to cop that 25 per cent increase on that extra money that they have got with the state government increasing their housing rent.

That is theft, in my mind. That is why it was made a supplement. It is not a net increase per se; it is an increase given to them to offset perceived and actual costs in the future. Who pays? The most vulnerable in our community, those on disability support and carers pension, pensioners themselves—not the rich, not the people not in public housing. There are many who are not living in public housing that the state government cannot reach out to. But, you see, this is the Liberal formula: go after the vulnerable and have your middle-class, upper-middle-class and business welfare. That is what makes this increase by the state government so pernicious. We are not talking about a CPI increase that is flowing on to pensioners; we are talking about a supplement given to them to compensate, and they are copping it in the neck on top. The state Liberal government should desist.

What else did they do it in relation to the budget? Ten thousand Public Service jobs are to go. That is also the future under the current opposition at a federal level if they actually get government. This is a portent of what will come in the future. *(Time expired)*

Mr HAWKE (Mitchell) (11:54): I rise to oppose this motion and the absolute nonsense we have just heard from the member for Banks in relation to the so-called ‘theft’ of money from vulnerable people in New South Wales. First of all I want to outline in response that the cost of this to the average person affected would be between $1.50 and $2 per week in public housing rents, already heavily subsidised by the taxpayer. By the government’s own admission, the government has increased pension payments to $154 per fortnight and $156 per fortnight. What costs is the member for Banks referring to when he says that was to subsidise an increase in costs? It is completely disingenuous of this government. They are putting in a carbon tax which will increase prices—in New South Wales the forecast for increase in rents is 1.7 per cent, which would be a cost of $50 million over four years to the New South Wales government. If the federal government did not understand that that cost would be passed on, not just by government but by every industry sector, every small business, every operation in this country, why are they increasing compensation payments?

These pension increases are not some historic reform—this motion says ‘historic pension reforms’. This did not come out of the blue. These increases in the pension are to subsidise people for the cost of the carbon
tax. That is what these are for. They are not for any other reason. The 1.7 per cent increase in rents has to be paid for by somebody. It is not going to be subsidised by the taxpayer because, as the New South Wales government has outlined, they have a program to improve public housing in New South Wales—to increase the number and quality of available places and ensure that more people can access it. Under this budget there will be more private rent subsidies, with around $50 million of support; $19 million for 21,000 householders to access affordable tenancies in the private rental market; and $134 million to provide specialist homelessness services. The government wants to come in here and pretend that the state government should not pass on the costs that the federal government have imposed on them. That is completely unrealistic. It is not happening in any sector.

In the electricity sector, for example, we know New South Wales prices have increased by 18 per cent—electricity bills this year are up 18 per cent. The estimate, conservatively, is 8.9 per cent because of a carbon tax. Almost half of the increase in prices from 1 July is because of the carbon tax. If it is good enough for the electricity sector and every other sector to pass on and the government to say, 'We are increasing your pension by this much to pay for it,' then they have got to say that 1.7 per cent in the matter of rents is going to be passed on by the state government as well. It is going to happen all around the country. It is completely disingenuous for this government to suggest otherwise.

It is disingenuous for the member for Banks to come in here and say, 'We've been honest from day one.' 'Honest from day one' prior to the last federal election would have been for the Treasurer or the Prime Minister to look into the camera and say, 'We are introducing a carbon tax that will push up the price of public housing rents by 1.7 per cent.' That would have been honest. Instead we heard from this government: 'We will not be introducing a carbon tax,' and, 'There will be no carbon tax under the government I lead.' That was the message before the election.

Wayne Swan said it was absolute nonsense that we would be introducing a carbon tax prior to the election. Yet they bring it in, and costs will be ratcheted up across the economy as a deliberate result of their carbon tax and their policy. Then they have the hide to come to this chamber and put a motion up like this saying: 'People are going to pay more. This is outrageous! Oh, isn't this terrible?' It is a direct result of the government's own policy that these vulnerable people will be paying more.

For the first time in New South Wales we have terms like 'energy poverty' coming into use across Sydney. I know that some of the members sitting opposite on the backbench understand what I am talking about. We have energy poverty coming into Australia because of the mismanagement of our public utilities, the mismanagement of government enterprises and, now, the world's biggest and most punishing carbon tax.

If the member for Parramatta wanted to really do something to assist Australian pensioners then she would propose, of course, standing by the member for Griffith, abolishing the carbon tax and moving to an emissions trading scheme or another model. That is what the member for Parramatta would do—not stand by this failed government with its failed carbon tax. The New South Wales government is to be commended for being realistic and for keeping their finances on a sustainable footing. In particular, the Minister for Families and Community Services is to be commended for doing her job to ensure that all vulnerable people in New South Wales
get a fair deal. Everything has to be paid for. Governments can only continue to provide services on a sustainable footing. The carbon tax is an unsustainable tax for Australia. It ought to be removed, and vulnerable people will suffer if it is not.

Debate adjourned.

BILLS

Shipping Reform (Tax Incentives) Bill 2012
Shipping Registration Amendment (Australian International Shipping Register) Bill 2012
Coastal Trading (Revitalising Australian Shipping) Bill 2012
Coastal Trading (Revitalising Australian Shipping) (Consequential Amendments and Transitional Provisions) Bill 2012
Tax Laws Amendment (Shipping Reform) Bill 2012
Tax Laws Amendment (2012 Measures No. 3) Bill 2012
Income Tax (Seasonal Labour Mobility Program Withholding Tax) Bill 2012
Tax Laws Amendment (Income Tax Rates) Bill 2012

Assent

Messages from the Governor-General reported informing the House of assent to the bills.

COMMITTEES

Membership

The DEPUTY SPEAKER (Ms AE Burke) (12:00): The Speaker has received four messages from the Senate informing the House of the appointment of senators to certain joint committees. As the list of appointments is a lengthy one, I do not propose to read the list to the House. Details will be recorded in the Votes and Proceedings.

BILLS

Electoral and Referendum Amendment (Maintaining Address) Bill 2011
Electoral and Referendum Amendment (Protecting Elector Participation) Bill 2012
Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2012
Appropriation Bill (No. 5) 2011-2012
Appropriation Bill (No. 6) 2011-2012
Parliamentary Counsel and Other Legislation Amendment Bill 2012
National Vocational Education and Training Regulator (Charges) Bill 2012
Broadcasting Services Amendment (Digital Television) Bill 2012
Financial Framework Legislation Amendment Bill (No. 2) 2012

Returned from Senate

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

Corporations Amendment (Future of Financial Advice) Bill 2012

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate’s amendments—
(1) Schedule 1, item 10, page 9 (line 5), omit "the commencing day", substitute "the application day".

(2) Schedule 1, item 10, page 9 (line 8), omit "a representative", substitute "a person acting as a representative".

(3) Schedule 1, item 10, page 9 (line 11), omit "a representative", substitute "a person acting as a representative".

(4) Schedule 1, item 10, page 9 (line 15), omit "the commencing day", substitute "the application day".

(5) Schedule 1, item 10, page 9 (lines 16 and 17), omit subsection 962D(2), substitute:

(2) In this section:

application day means:

(a) where:

(i) the client enters into the ongoing fee arrangement with a financial services licensee, or a person acting as a representative of a financial services licensee; and

(ii) the financial services licensee has lodged notice with ASIC in accordance with subsection 967(1) that the obligations and prohibitions under this Part are to apply to the licensee and persons acting as representatives of the licensee, on and from a day specified in the notice; the day specified in the notice; or

(b) in any other case—1 July 2013.

(6) Schedule 1, item 10, page 13 (line 24), omit "This Subdivision applies", substitute "(1) This Subdivision applies, on and from the application day."

(7) Schedule 1, item 10, page 13 (after line 25), at the end of section 962R, add:

(2) In this section:

application day means:

(a) where:

(i) the client has entered into the ongoing fee arrangement with a financial services licensee, or a person acting as a representative of a financial services licensee; and

(ii) that licensee or representative is the fee recipient in relation to the arrangement on 1 July 2012; and

(iii) the financial services licensee has lodged notice with ASIC in accordance with subsection 967(1) that the obligations and prohibitions under this Part are to apply to the licensee and persons acting as representatives of the licensee, on and from a day specified in the notice; the day specified in the notice; or

(b) where:

(i) the client has entered into the ongoing fee arrangement with a financial services licensee, or a person acting as a representative of a financial services licensee; and

(ii) because the rights of the licensee or representative under the arrangement have been assigned, another person is the fee recipient in relation to the arrangement on 1 July 2012; and

(iii) a notice has been lodged with ASIC in accordance with subsection 967(1) or (3) that the obligations and prohibitions under this Part are to apply to the other person, on and from a day specified in the notice; the day specified in the notice; or

(c) in any other case—1 July 2013.

(8) Schedule 1, item 10, page 14 (after line 23), at the end of Part 7.7A, add:

Division 7—Transition

966 Transition period

In this Division:

transition period means the period beginning on 1 July 2012 and ending on 30 June 2013.

967 Best interests obligations and remuneration provisions to apply during transition period

(1) A financial services licensee may, during the transition period, lodge notice in the prescribed form with ASIC that the obligations and prohibitions imposed under this Part are to apply to the licensee, and any person acting as a representative of the licensee, on and from a day that:

(a) falls on or after the day on which the notice is lodged with ASIC; and

(b) is specified in the notice.
If a notice is lodged with ASIC in accordance with subsection (1), ASIC must, on its website:

(a) publish the name of the financial services licensee who lodged the notice; and

(b) include a statement that the obligations and prohibitions imposed under this Part are to apply to the licensee, and any person acting as a representative of the licensee; and

(c) state the day on and from which those obligations and prohibitions are to apply.

A person:

(a) who would be subject to an obligation or prohibition under this Part, if it applied; and

(b) who would not be subject to the obligation or prohibition as a financial services licensee, or a person acting as a representative of a financial services licensee;

may, during the transition period, lodge notice in the prescribed form with ASIC that the obligations and prohibitions imposed under this Part are to apply to the person on and from a day that:

(c) falls on or after the day on which the notice is lodged with ASIC; and

(d) is specified in the notice.

If a notice is lodged with ASIC in accordance with subsection (3), ASIC must, on its website:

(a) publish the name of the person who lodged the notice; and

(b) include a statement that the obligations and prohibitions imposed under this Part are to apply to the person; and

(c) state the day on and from which those obligations and prohibitions are to apply.

Notice to clients in transition period

A financial services licensee who lodges a notice with ASIC in accordance with subsection 967(1) must ensure that any person in relation to whom the licensee, or a person acting as a representative of the licensee, has an obligation or is subject to a prohibition under this Part during the transition period (the client) is given a notice that complies with this section.

The notice:

(a) must be in writing; and

(b) must be given to the client on or before the notice day for the client; and

(c) must state that the obligations and prohibitions imposed under this Part are to apply to the licensee, and any person acting as a representative of the licensee, on a day specified in the notice given to the client.

The day specified in the notice given to the client must be the same as the day specified in the notice lodged with ASIC in accordance with subsection 967(1).

The notice day for a person to whom the licensee, or a person acting as a representative of the licensee, is obliged to give a fee disclosure statement during the transition period is:

(a) unless paragraph (b) applies—the disclosure day for the arrangement in relation to which the fee disclosure statement is to be given that falls within the transition period; and

(b) if a fee disclosure statement is given before the end of a period of 30 days beginning on that disclosure day—the day on which it is given.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (12:01): I move:

That the amendments be agreed to.

The Corporations Amendment (Future of Financial Advice) Bill 2012 contains a number of vital measures to restore trust and confidence in the financial advice sector, including implementing an advisor-charging regime where advisers are required to obtain their clients agreement to charge ongoing fees, annual disclosure of ongoing fees, a statutory duty to act in the best of the client, and a ban on conflicted remuneration and enhancements to ASIC’s capacity to supervise the financial services industry and boost its ability to protect investors.

The government recognises the significance of this legislation for the financial services industry. Amendments to the legislation passed by the Senate will
provide more flexible application arrangements for the future of financial advice reforms. Under these amendments, mandatory application of the reforms will occur from 1 July 2013, but entities will have the ability to voluntarily elect to comply from 1 July 2012. The amendments replace the previous application arrangements whereby the reforms were mandatory from 1 July 2012. The amendments go further than those of the opposition and provide more flexibility by giving early industry movers the opportunity to opt in to the reforms.

Amendments (1) to (7) make changes that will ensure the requirements relating to ongoing fee arrangements and fee disclosure statements apply from the date specified in a notice lodged by the financial services licensee with the Australian Securities and Investments Commission. If the licensee does not lodge a notice the requirements will apply from 1 July 2013. Amendment (8) implements the transition arrangements for those who elect to comply with the reforms from a date during the transition period, being 1 July 2012, until 30 June 2013. Amendment (8) sets out the requirement to lodge notice of this election with the Australian Securities and Investments Commission and when notice of this election must be provided to certain clients.

In terms of the amendments to the Corporations Amendment (Further Future of Financial Advice Measures), which I will move shortly, amendment (1) sets out when a notice must be provided to clients impacted by the licensee's election to comply with the reforms from a date during the transition period. Amendments (2) to (10) make changes that will ensure the requirements relating to the best-interest obligations and the ban on conflicted remuneration. Volume based shelf-space fees and asset based fees on borrowed amounts apply from the date specified in the notice lodged by the financial services licensee with the Australian Securities and Investments Commission. If the licensee does not lodge a notice, the requirements will apply from 1 July 2013.

In essence, the government has listened to the concerns from the business and financial planning committee that they need more time to prepare for these changes. The government introduced amendments in the Senate to revise the application arrangements for the reforms. The reforms will still commence from 1 July 2012 but compliance will be voluntary until 1 July 2013, when they will become enforceable against all industry participants. The more flexible timetable balances the needs of industry and consumers, as it gives early industry movers the opportunity to provide commission-free products from 1 July 2012. The amendments will, however, allow licensees to opt in to the reforms early if they are ready to do so before 1 July 2013. The revised implementation arrangements will lower industry implementation costs as they will allow the FoFA and Stronger Super reforms to be synchronised. I commend the amendments to the House.

Mr HOCKEY (North Sydney) (12:04): The coalition's position has not changed since it previously considered this package of legislation. We are disappointed that our series of detailed amendments last time have not been adopted by the government.

Our amendments, firstly, sought to delay the implementation of the legislation until 1 July 2013. We thought we nearly had the government's agreement on our proposal for that. Instead they have gone down their own path in the Senate. Secondly, we sought to remove opt-in arrangements. Thirdly, we sought to make annual fee disclosures prospective rather than retrospective. Fourthly, we wanted to ensure that anti-
avoidance provisions only applied prospectively. Fifthly, we wanted to ensure that commissions are not paid on life risk insurance inside MySuper products or within superannuation if the cover is automatic.

Sixthly, we sought to ensure that superannuation funds retain the ability to offer infrafund advice.

Seventh, we wanted to provide a clear definition of a 'funds manager' to ensure that fees are not caught in the ban on volume based shelf-space fees and to permit rebates from fund managers to product providers and retain consumer scale benefits discounts.

Eighth, we wanted to allow scaleable advice. Ninth, we wanted to instil a robust best-interest duty recommendation to enhance and improve consumer protections. Tenth, we wanted to amend an unintended consequence to ensure that there is a causal link between the payment for and provision of financial advice. Twelfth, we wanted to ensure that a financial advisory business can be sold to employees of the business without the sale proceeds being caught in conflicted remuneration provisions within the legislation. And lastly, my lucky number, 13: we wanted to ensure that counterproductive geographical limits were removed from the legislation. And lastly, my lucky number, 13: we wanted to ensure that counterproductive geographical limits were removed from the legislation. These, you would agree, Madam Deputy Speaker, are all sensible amendments. They are all wise, they are all carefully considered—and they have all been rejected by the government in its wisdom. The coalition are of the opinion that we are unable to support this legislation in its current form, without passage of our substantive amendments.

I note that the government have chosen to move an amendment in the Senate on the start date of this legislation. The government have done this because they did not have the legislation ready when the legislation was before the House in March and despite the fact that the coalition moved an amendment which would have had the same effect as the government's amendment. We put forward amendments in the House of Representatives; the government rejected them here and then made one of those same amendments in the Senate, and they are now saying, 'What a great idea.' I urge the Assistant Treasurer and Minister for Employment and Workplace Relations, Financial Services and Superannuation, who is the minister at the table: pick up the other 12 proposed coalition amendments. It is not too late, Bill. Forget what the Treasurer thinks. He is the same Treasurer who was out there this morning saying that the claim about the denial of water to schoolkids was in fact a great big lie. I would not believe anything that the Treasurer says, especially on this legislation. Do not take his advice on FOFA.
enormous confusion and uncertainty, like everything else this government do. It is absurd to expect people to be in a position to implement radical changes to their existing business practices, including significant and costly systems changes, in—how many days are there until 1 July?

Mr Shorten interjecting—

Mr HOCKEY: There you go! Even if people did want to comply with the FOFA requirements from 1 July 2012, it would be impossible to do so in practice. There are no regulations in place, we have no indication as to when the necessary regulations will be made, ASIC is unlikely to issue guidance notes on many aspects of FOFA until the end of 2012 at the very earliest (Extension of time granted) and the code of conduct required for the government's latest version of opt-in will not be in place until sometime in 2013. How can people be expected to comply with regulations, ASIC guidance notes and a code of conduct which will not be in existence on 1 July 2012 or for some time after that? What is worse, given the retrospective nature of parts of this legislation, compliance becomes even more difficult. Once again the Labor government and the minister at the table have acted far too slowly to implement some very major changes, and they have been caught short.

Mr Shorten interjecting—

The DEPUTY SPEAKER: The minister—

Mr HOCKEY: No, keep going—keep going. They should simply admit that they have bungled the introduction of FOFA and run out of time to implement the changes by 1 July 2012.

For the next 12 months there will also be a complete lack of certainty for consumers, as there will not be a level playing field for the provision of financial advice. It will be practically impossible for consumers to know which adviser is complying with the old rules and which adviser has already moved to the new requirements. A single start date, with an appropriate lead-in time to implement the necessary changes, would provide certainty for consumers and financial advisers. Sadly, as with so many of the FOFA changes, the government have created more confusion and more uncertainty rather than fixed a problem—that is, not providing an appropriate state date in the first place—of their own making. The best way to remove this uncertainty would have been for the government to support the sensible coalition amendment to provide one clear and unambiguous start date of 1 July 2013, together with the other 12 coalition amendments.

I know that the heart of the Minister for Employment and Workplace Relations, Financial Services and Superannuation is in the right place; the problem is that his head is not in the right place. Sadly, this additional legislation means more red tape for financial advisers and the financial services industry. Like so much of what this government do, this legislation is mired in complexity and mired in the confusion of a government who do not understand the impact of what they are doing, even if it is a thing as simple as handing out water bottles to the 100,000 kids who come to Parliament House each year.

The FOFA reforms are complex, but why can't this government get anything right? It is simple; it is not hard. You need to consult and engage with industry, and, once you have consulted and engaged with industry, you take on board their concerns about the red tape and the complexity and give them fair warning about the change that will occur rather than giving them a soft start date and a hard start date and leaving it to decisions which are going to be made in a handful of days before the new financial year. All of
this has a cost. That is what the government just do not understand.

The member for Chisholm has previously been very engaged in the financial services industry. If the member for Chisholm were to speak on this legislation, she would be absolutely appalled at the complexity of it. In fact, I think that the member for Chisholm used to be a member of the Finance Sector Union. I would have thought that the Finance Sector Union would be appalled at the complexity associated with this legislation. The member for Chisholm, if she were able to speak on this legislation, would be truly appalled at the complexity and at the—

The DEPUTY SPEAKER: The Deputy Speaker is a bit appalled at the licence with which the member for North Sydney is taking my name in vain in my other guise—

Mr HOCKEY: No, you are the Speaker, Madam Deputy Speaker; I am just talking about the Madam Deputy Speaker—

The DEPUTY SPEAKER: The member for North Sydney can come to the amendments before the chair.

Mr HOCKEY: I was suggesting that, as any fair-minded person who has had any real-life experience in the financial services industry, or who, as in my case, has been a lawyer to the financial services industry, would know, when you have regulation change—when you have ASIC guidance notes changed and when you change codes of conduct—it just adds to the complexity and cost of financial services. This is an industry that now accounts for over 10 per cent of GDP, and it cannot afford poor regulation.

Mr FLETCHER (Bradfield) (12:14): I am pleased to rise to speak in relation to the amendments made in the Senate to the Corporations Amendment (Future of Financial Advice) Bill 2012. Throughout the consultation process with the financial services sector in the lead-up to this legislation being introduced into the House, it was clear that there was considerable disquiet within the financial services sector about the very substantial degree of work required to be undertaken to comply with the detailed and onerous requirements in this legislative package.

There are two issues which are quite distinct. One issue is the merits of the amendments. It is not really appropriate to be discussing the merits of the substantive legislative scheme which is being enacted here today. But the other and distinct issue which it absolutely is appropriate to discuss—because it emerges very directly from the terms of the amendments which have been moved in the Senate and which the House is now considering—is the practicalities of implementation of the very complex legislative and regulatory scheme set out in the future of financial advice bills. The scope and complexity of the changes to information technology systems which will be required to be made by the financial services sector in respect of accounts held by many millions of Australians in many different kinds of products—in many cases products which have been on foot for 10 or 20 or 30 years and the statements for which are provided using legacy IT systems which will need to be reopened and amended to give effect to this policy scheme—are enormous. That has been the constant theme of those who appeared before the parliamentary committee which was considering this bill, and that has been the constant theme of those in the financial services sector who have been to speak to many people in this place over recent months.

The government presents to us the amendments which have come back from the
Senate as offering the solution to this problem. We are told that relief has been granted and it will no longer be necessary for participants in the financial services sector to achieve compliance with this detailed scheme, with effect from 1 July 2012. Instead, strict compliance has been deferred until 1 July 2013. But on even the most cursory analysis the method which has been adopted to achieve this outcome is ludicrously and unnecessarily complex. What is proposed in the amendments which have come back to the House from the Senate is that the obligations under the law will be in place from 1 July 2012 but there will be relief granted from compliance with those obligations until 1 July 2013, unless of course an entity which is subject to those laws lodges a notice between 1 July 2012 and 30 June 2013 indicating that it now regards itself as being subject to compliance with these laws. It is difficult to conceive of a more complex, confusing, opaque method of dealing with a fairly straightforward problem.

Why is this being done? It is being done for one simple reason. It is being done for political reasons. It is being done because the minister at the table wants to be able to say, 'This package of reforms will take effect from 1 July 2012.' That is his sole and only motivation in coming up with this ludicrously complex scheme so that he, on the one hand, can say, 'I have delivered an outcome and this adds to my glittering and already extensive curriculum vitae.'

Regrettably, costs will be incurred by many millions of Australians and by many financial institutions in complying with this unnecessarily complex set of arrangements. There will be deep confusion on the part of Australians who are provided with products by the financial services sector because they will not know, without making detailed further inquiry, what their rights are and what the obligations of the provider are. This is a messy, unsatisfactory compromise and it should be rejected.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (12:20): In terms of the government amendments to the Corporations Amendment (Future of Financial Advice) Bill 2012 and the comments made by the opposition, I just have a few points to set the record straight. The opposition failed to amend the FOFA bills. The amendments they proposed included to remove the opt-in arrangements entirely. That failed because the opt-in requirement was recommended with respect to superannuation advice provided to MySuper members by the Cooper super system review. It stayed in because it is a good idea. The amendment of the opposition concerning the removal of the disclosure arrangements for existing clients failed because the disclosure arrangements for existing clients are not retrospective. They only apply from the date of commencement.

The proposition that the opposition will vote against delaying the compulsory compliance date until 1 July 2013 is ludicrous because it would deny the industry the opportunity to comply with the laws on a voluntary basis during the transition period, yet they will not support a completion date by 1 July 2013. The opposition proposes removing the requirement that advisers take any step in circumstances that could be reasonably regarded as in the best interests of retail customers. Our concern is that the opposition amendment, if it successful, would allow a tick-a-box approach to compliance with the best interest duty rather than a genuine consideration of what is in the best interests of retail customers.
But the opposition has made some further points in their contributions on the amendments proposed by the government—that is, the idea that people are not ready for change. We accept that for some organisations in financial planning it will take up until 1 July 2013. These are complex reforms. But many organisations in the financial planning world are already ready. Many of them advise me that they are FOFA ready. The Financial Planning Association of Australia advises me that they believe that a lot of their members are already ready. Indeed, if that does not satisfy the opposition and allay their concerns, I would draw attention to the fact that there are plenty of commission-free products coming on the market right now in anticipation of our FOFA changes.

The opposition also made some references in opposing our amendment by saying that what we were doing was not good for consumers. How do they then explain away Choice supporting what we have done in the future of financial advice reforms? In other words, members of the House, through the Deputy Speaker, a whole lot of people in financial wealth management, in consumer groups and even the Financial Sector Union have supported our FOFA reforms. The final observation I have to add to this debate is that on one hand the opposition say that the changes are being rushed and are complex. Yet on the other hand, if the opposition when they were in government back in 2001 had done what we had done, then arguably some of the problems we have seen arise out of Trio and other financial service areas would not have occurred. To me the question is not, 'Are we taking this too quickly?' to me the question is, 'Why didn't this occur 11 years ago?'

Mr VAN MANEN (Forde) (12:23): As I have previously touched on in the debate around this bill, one of my biggest concerns with this proposed, massive new amount of regulation for the financial services industry is that, in effect, it is not going to deal with the issue of poor advice to clients. It deals predominantly with issues to do with fee disclosure, risk insurance inside superannuation funds and intrafund advice. It is an enormous amount of regulation that, according to the industry, is going to cost some $700 million to implement for $350 million per annum to comply. In the scope of this legislation of seeking to reduce the cost to consumers, the actual affect is probably that it is going to increase it.

It does not deal with the underlying issue that the Cooper review and other reviews of the financial services industry have touched on, and that is the matter of advice. The industry already has significant amounts of regulation and one of the key components in that regulation is the know-your-client rule. One of my arguments for some time has been the effect of lack of enforcement of existing regulations on planners doing the wrong thing in the industry, which has led to some of the issues we are facing and discussing today. Equally it is also a failure of product. None of this legislation deals with the product providers that have failed to look after the interests of the investors. It is always the advisors, the easy targets, that are subject to this increasing and onerous regulation. Not only is it creating concern for them personally but also it is creating enormous difficulties and problems in their businesses.

As the member for North Sydney has pointed out, the coalition has proposed a number of amendments which have not even been touched on by the government.

Mr Shorten: They're not even being debated.

Mr VAN MANEN: Well, they are being ignored for the want of actually getting better regulation.
The DEPUTY SPEAKER (Ms AE Burke): The member for Forde needs to speak to the amendments before the chair.

Mr VAN MANEN: Things that add to the complexity are matters such as opt-in, providing a clear definition of what a funds manager is and ensuring that the fees are not caught up in the ban on volume based shelf space, allowing scalable advice, instilling a robust best interest duty recommendation and enhanced improved consumer protections. If you looked at the know-your-client rule, applied that properly across the financial planning industry and actually enforced it, we would not need much of this onerous new regulation.

We acknowledge that it is important to have a sound and robust financial planning industry that is transparent in what advisers charge their clients. They are managing the wealth or future wealth of Australian citizens. Particularly with respect to superannuation, the amount of wealth invested is going to continue to grow significantly over the years to come. Adding complexity, regulation and cost to the system is not going to achieve those outcomes. Far better outcomes could be achieved through improving training—

The DEPUTY SPEAKER: Order! The member for Ford will resume his seat. The minister on a point of order.

Mr Shorten: I have listened to the member for Forde. I do not know if he is voting for or against the amendments.

The DEPUTY SPEAKER: The minister will ignore the unhelpful interjection from the minister and continue on the amendments.

Mr VAN MANEN: Madam Deputy Speaker, the unhelpful interjection is along the lines of unhelpful regulation and impost on the financial planning industry. As a member of the coalition, and as I have previously stated in this chamber, I will be voting against this legislation. (Time expired)

Mr CIOBO (Moncrieff) (12:28): I am pleased to rise to speak to this bill because in many respects it symbolises many of the problems that are incumbent with this government. The issue is that the bill and the amendments incorporate an approach to regulation on the financial services sector that is entirely inconsistent with the best interests of Australian consumers. The minister at the table would make out that this is all about providing a better framework, more transparency and better regulation. He has Choice on board, he has the FPA on board and maybe the FSC. The reality is that you cannot escape the fundamental connection between the amount of regulation and the compliance costs associated with that. From that you also cannot escape the fact that increased compliance costs mean increased costs to consumers.

The extraordinary thing about the minister at the table is that this is all about him having a tick-a-box. The tick-a-box the minister is after on this occasion is the chance to stand up before the Australian people and say, 'Look what I delivered. Look what I have done. Aren't I a great visionary when it comes to financial services regulation,' as part of his tick-a-box approach in getting to the highest office in the land. But the reality is that this is not good for consumers and it is not supported by financial planners that I talk to in my electorate, as well as those more broadly when it comes to personal interactions that I have. I bring to the debate a childhood with a father who was a financial planner for 30 years—in fact, one of the best financial planners at AMP, the fifth biggest in the country. That was during an era when there was not this raft of regulation that has existed prior to this point but now is being exacerbated in wholesale
terms by this government. There is one fundamental thing that this minister and this government cannot escape, and that is that nothing—no amount of regulation—can deal with the fact that some people make bad choices. No amount of regulation can deal with the fact that there will always, unfortunately, be some bad financial planners, and the reality is that those that make poor choices, like those that are bad financial planners, can never be stopped by regulation. It is analogous to road rules: you can have all the road rules you want, but at the end of the day people make bad choices and people will break the law.

So the question is one of balance: what is the appropriate level of balance in a marketplace so that we can ensure that there is civil order and a framework in place that provides optimum outcomes for consumers, but not so much so that we tip the critical mass of regulation too far. What the legislation before the chamber today does is take it too far, and the net impact of all of this is that Australian consumers will simply not go to financial planners in numbers as large as they have historically because it will simply be too expensive for them. That is my concern as someone who believes in smaller government, believes that the market should reign supreme and believes that consumers ultimately need to take responsibility for how they manage their money. This government has done more to send Australians to the poorhouse and impoverish a number of small business Australians than any government preceding it, as far as I am concerned, with some of its reckless policies.

Mr Shorten interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The member for Moncrieff will return to the amendments before the chair.

Mr CIOBO: I return to the—

Mr Shorten: Madam Deputy Speaker, on a point of order: I did not want to interrupt, because he has made some points, but he is more lost than Burke and Wills now. Can we get back to relevance?

The DEPUTY SPEAKER: The minister will resume his seat. The member for Moncrieff does need to refer to the amendment before the chair.

Mr CIOBO: The rationale of the government's approach to this bill is that it is going to protect Australians from making imprudent financial decisions or being led astray by financial planners. My point is that Australians have needed protection from this government more than from just about anything, so it goes very directly to the rationale, because there have been many Australians who have lost their life savings who have been involved in, for example, roof insulation businesses that have been destroyed by this government. So that absolutely goes to the rationale of this bill.

The reality is that good governance is about getting the balance right. These amendments and the legislation before the House do not get the balance right; they take it too far. Fewer Australians will, in fact, solicit the expert financial advice that they need, and the reality is that a great gulf has widened between those involved in financial planning and those involved in other industries where people often put their life savings, such as real estate.

Mr FLETCHER (Bradfield) (12:33): Given that the House is presently in the consideration in detail phase, this obviously presents an opportunity for the minister to explain to the House the merits of the amendments which were made in the Senate and why it is that he is putting to the House that the House ought to adopt these amendments. I note in passing that it is therefore entirely inappropriate for the
minister to be asking the member for Forde or anybody else, 'How are you voting?' It reveals a disturbing lack of understanding of the procedure that we are presently going through, because the procedure we are going through is for the minister to explain the merits of the amendments to the House so that the House can then make an assessment.

But let me turn to the specific question which I raised in my previous contribution and which was sadly overlooked in the magnificent collection of non sequiturs with which the minister entertained the House some time ago. The question that I would like an answer from the minister on is a very specific one. I want to understand the rationale for the legislative strategy which has been adopted in proposing the addition of proposed sections 966, 967 and 968. These proposed sections give effect to the legislative scheme under which there will be the operation of the substantial provisions of both of these bills when they pass into being acts—

Mr Shorten: Thank you for that assumption.

Mr FLETCHER: On the assumption that they pass into being acts. But the proposed sections which I have just mentioned, together with the effect of the amended proposed section 962D, will have the effect that the provisions are not operative with effect from 1 July 2012; they only become operative with effect from 1 July 2013, unless a relevant party lodges a notice saying, in effect, 'We accept the operation of these provisions.' The question I am seeking to get some clarification about from the minister in this consideration in detail phase is: what is the rationale for this legislative scheme? If it is accepted by the minister, as I understand it is, that there is time involved in financial institutions going through the detailed planning work and the detailed information technology implementation work to be able to comply with these new provisions—the minister earlier said that it may well take some of these organisations up until 30 June 2013—and if it is accepted that time will be required by a number of participants in the marketplace then what is unclear is what benefit is served by the minister's complex two-track approach, with the soft start date from 1 July 2012. What is the substantive benefit which is served, other than the immediate specific benefit to the minister of being able to say to the world, 'Look, my package of reforms has taken effect'?

The assessment this House has to make is to weigh up the costs and benefits associated with the amendments which it is presently considering. And it is clear that the cost includes confusion on the part of citizens, and particularly consumers, who are trying to work out the set of obligations which the financial services institution or adviser with which they are dealing is subject to. There is confusion which will be faced by consumers and there will be extra cost and complexity because of this two-tier approach. But what we do not know is the benefit to the broader Australian community, excepting, as I think we all do in this chamber—I think it is uncontroversial—that it has career benefits for the minister. But what are the broader policy benefits? That is really the question which the House should be informed of, and that is the question I specifically put to the minister.

The DEPUTY SPEAKER (Ms AE Burke): The question is that the amendments be agreed to.
The House divided. [12:42]
(The Deputy Speaker—Ms AE Burke)

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<th>Ayes</th>
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<tr>
<td>Majority</td>
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**AYES**
- Adams, DGH
- Albanese, AN
- Bandt, AP
- Bird, SL
- Bowen, CE
- Bradford, DJ
- Burke, AS
- Byrne, AM
- Butler, MC
- Champion, ND
- Cheeseman, DL
- Clare, JD
- Collins, JM
- Combet, GI
- Crean, SF
- Danby, M
- D'Ath, YM
- Dreyfus, MA
- Emerson, CA
- Ferguson, LDT
- Fitzgibbon, JA
- Garrett, PR
- Gillard, JE
- Gibbons, SW
- Grierson, SJ
- Gray, G
- Griffith, AJ
- Hayes, CP
- Hisic, EN (teller)
- Jenkins, HA
- Jones, SP
- Kelly, MJ
- King, CF
- Leigh, AK
- Livermore, KF
- Lyons, GR
- Macklin, JL
- Marles, RD
- McClelland, RB
- Melham, D
- Mitchell, RG
- Murphy, JP
- Neumann, SK
- Oakeshott, RJM
- O'Connell, BPJ
- Parke, M
- Owens, J
- Piibersek, TJ
- Ripoll, BF
- Rishworth, AL
- Roxon, NL
- Rudd, KM
- Saffin, JA
- Shorten, WR
- Sidebottom, PS
- Smith, SF
- Smyth, L
- Snowden, WE
- Swan, WM
- Symon, MS
- Thomson, CR
- Thomson, KJ
- Van Manen, AJ
- Vamvakinou, M
- Wilkie, AD
- Windsor, AHC
- Zappia, A

**NOES**
- Coulton, M (teller)
- Dutton, PC
- Fletcher, PW
- Frydenberg, JA
- Gash, J
- Haase, BW
- Hawke, AG
- Hunt, GA
- Jensen, DG
- Katter, RC
- Kelly, C
- Ley, SP
- Marino, NB
- Matheson, RG
- Mirabella, S
- Neville, PC
- O'Dwyer, KM
- Ramsey, RE
- Robb, AJ
- Roy, WB
- Schultz, AJ
- Secker, PD (teller)
- Smith, ADH
- Southcott, AJ
- Tehan, DT
- Tudge, AE
- Van Manen, AJ
- Washer, MJ
- Crook, AJ
- Entsch, WG
- Forrest, JA
- Gambare, T
- Griggs, NL
- Hartsuyker, L
- Hockey, JB
- Irons, SJ
- Jones, ET
- Keenan, M
- Laming, A
- Macfarlane, JE
- Markus, LE
- McCormack, MF
- Morrison, SJ
- O'Dowd, KD
- Prentice, J
- Randall, DJ
- Robert, SR
- Ruddock, PM
- Scott, BC
- Simpkins, LXL
- Somlyay, AM
- Stone, SN
- Truss, WE
- Turnbull, MB
- Vasta, RX
- Wyatt, KG

**PAIRS**
- Ferguson, MJ
- Pyne, CM
- Rowland, MA
- Abbott, AJ

Question agreed to.

**Corporations Amendment (Further Future of Financial Advice Measures) Bill 2012**

**Consideration of Senate Message**

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

(1) Schedule 1, page 25 (after line 10), after item 25, insert:

25A Subsection 968(4)

Repeal the subsection, substitute:

(4) The notice day is:
(a) for a person (the client) in relation to whom the licensee, or a person acting as a representative of the licensee, has an obligation or is subject to a prohibition under Division 2 of this Part in relation to personal advice provided on or after a day that falls in the transition period—the first day on which personal advice is provided to the client during the transition period; and

(b) for a person to whom the licensee, or a person acting as a representative of the licensee, is obliged to give a fee disclosure statement during the transition period:

(i) unless subparagraph (ii) applies—the disclosure day for the arrangement in relation to which the fee disclosure statement is to be given that falls within the transition period; and

(ii) if a fee disclosure statement is given before the end of a period of 30 days beginning on that disclosure day—the day on which it is given; and

(c) for a person (the client) in relation to whom the licensee, or a person acting as a representative of the licensee, has an obligation or is subject to a prohibition under Subdivision B of Division 5 of this Part in relation to the charging of an asset-based fee during the transition period—the first day on which the client is charged an asset-based fee during the transition period; and

(d) for a person in relation to whom more than one of paragraphs (a), (b) and (c) is satisfied—the earliest of the days specified as the notice day under the paragraphs that are satisfied for that person.

(2) Schedule 1, item 33, page 29 (lines 5 to 10), omit section 1527, substitute:

1527 Application of best interests obligations

(1) The following apply in relation to the provision of personal advice to a person as a retail client on or after the application day (whether or not the advice was sought before that day):

(a) Division 2 of Part 7.7A, as inserted by item 23 of Schedule 1 to the amending Act;

(b) the amendments made by items 6, 7, 8, 9 and 34 of Schedule 1 to the amending Act.

(2) In this section:

application day, in relation to a financial services licensee or a person acting as a representative of a financial services licensee, means:

(a) if the financial services licensee has lodged notice with ASIC in accordance with subsection 967(1) that the obligations and prohibitions imposed under Part 7.7A are to apply to the licensee and persons acting as representatives of the licensee on and from the day specified in the notice—the day specified in the notice; or

(b) if the person has not lodged such a notice—1 July 2013.

(3) Schedule 1, item 33, page 29 (line 17), omit "the day on which that item commences", substitute "the application day".

(4) Schedule 1, item 33, page 29 (after line 28), at the end of section 1528, add:

(4) In this section:

application day:

(a) in relation to a financial services licensee or a person acting as a representative of a financial services licensee, means:

(i) if the financial services licensee has lodged notice with ASIC in accordance with subsection 967(1) that the obligations and prohibitions imposed under Part 7.7A are to apply to the licensee and persons acting as representatives of the licensee on and from a day specified in the notice—the day specified in the notice; or

(ii) in any other case—1 July 2013; and

(b) in relation to any other person who would be subject to an obligation or prohibition under Division 4 of Part 7.7A if it applied, means:

(i) if a notice has been lodged with ASIC in accordance with subsection 967(3) that the obligations and prohibitions imposed under Part 7.7A are to apply to the person on and from a day specified in the notice—the day specified in the notice; or

(ii) in any other case—1 July 2013.

(5) Schedule 1, item 33, page 30 (line 2), omit "the day on which that item commences", substitute "the application day".
(6) Schedule 1, item 33, page 30 (line 6), omit "the day on which that item commences", substitute "the application day".

(7) Schedule 1, item 33, page 30 (after line 6), at the end of section 1529, add:

(3) In this section:

application day:

(a) in relation to a financial services licensee or a person acting as a representative of a financial services licensee, means:

(i) if the financial services licensee has lodged notice with ASIC in accordance with subsection 967(1) that the obligations and prohibitions imposed under Part 7.7A are to apply to the licensee and persons acting as representatives of the licensee on and from a day specified in the notice—the day specified in the notice; or

(ii) in any other case—1 July 2013; and

(b) in relation to any other person who would be subject to an obligation or prohibition under Subdivision A of Division 5 of Part 7.7A if it applied, means:

(i) if a notice has been lodged with ASIC in accordance with subsection 967(3) that the obligations and prohibitions imposed under Part 7.7A are to apply to the person on and from the day specified in the notice— the day specified in the notice; or

(ii) in any other case—1 July 2013.

(8) Schedule 1, item 33, page 30 (line 19), omit "the day on which that item commences", substitute "the application day".

(9) Schedule 1, item 33, page 30 (lines 23 and 24), omit "the day on which that item commences", substitute "the application day".

(10) Schedule 1, item 33, page 30 (after line 28), at the end of section 1531, add:

(3) In this section:

application day, in relation to a financial services licensee or a person acting as a representative of a financial services licensee, means:

(a) if the financial services licensee has lodged notice with ASIC in accordance with subsection 967(1) that the obligations and prohibitions imposed under Part 7.7A are to apply to the licensee and persons acting as representatives of the licensee on and from the day specified in the notice—the day specified in the notice; or

(b) if the person has not lodged such a notice—1 July 2013.

The DEPUTY SPEAKER (Ms AE Burke): The question is that the amendments be agreed to.

The House divided. [12:48]

(The Deputy Speaker—Ms AE Burke)

Ayes ................. 73
Noes ................. 70
Majority ............ 3

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Brodie-Mann, G
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Daby, M
Dreyfus, MA
Ellis, KM
Ferguson, LTD
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
Kelly, MJ
Leigh, AK
Lyons, GR
Maree, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O'Neil, DM
Parke, M
Pilberserk, T
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Cren, SF
D'Ath, YM
Elliot, MJ
Emerson, CA
Fitzgibbon, JA
Georganas, S
Gillard, JE
Grierson, SJ
Hall, IG (teller)
Husic, EN (teller)
Jones, SP
King, CF
Livermore, KF
Mackin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O'Connor, BPJ
Owens, J
Perrett, GD
Rioli, BF
Roxon, NL
SaFin, IA
Sidbottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakinou, M

CHAMBER
Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:52): by leave—I rise today to recognise the recent retirement of Mr Michael John Palmer AO, APM from his role as the Inspector of Transport Security, a role he has discharged admirably since his appointment in 2004. I also table the most recent report from Mr Palmer, the Offshore oil and gas resources sector security inquiry, which I received on 7 June 2012.

**OFFSHORE OIL AND GAS RESOURCES SECTOR SECURITY INQUIRY**

Firstly, I would like to take some time to discuss this important report which I announced in February last year. I have previously updated the House on the importance of this inquiry—the first-ever comprehensive review of the security of the oil and gas sector that employs more than 10,000 Australians, contributes 2.5 per cent of Australia's GDP and generates an impressive $28 billion in revenue.

The reserves in the north-west of Australia, the Bass Strait and the Timor Sea provide employment for our nation, income for our economy and energy to the world. In

**Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012**

**Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012**

**Returned from Senate**

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

**MINISTERIAL STATEMENTS**

**Offshore Oil and Gas Resources Sector Security Inquiry Report**

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:52): by leave—I rise today to recognise the recent retirement of Mr Michael John Palmer AO, APM from his role as the Inspector of Transport Security, a role he has discharged admirably since his appointment in 2004. I also table the most recent report from Mr Palmer, the Offshore oil and gas resources sector security inquiry, which I received on 7 June 2012.

**OFFSHORE OIL AND GAS RESOURCES SECTOR SECURITY INQUIRY**

Firstly, I would like to take some time to discuss this important report which I announced in February last year. I have previously updated the House on the importance of this inquiry—the first-ever comprehensive review of the security of the oil and gas sector that employs more than 10,000 Australians, contributes 2.5 per cent of Australia's GDP and generates an impressive $28 billion in revenue.

The reserves in the north-west of Australia, the Bass Strait and the Timor Sea provide employment for our nation, income for our economy and energy to the world. In
fact, Australia is the world’s ninth largest energy producer.

We need to ensure that we have effective security arrangements in place and the right response capabilities in the event of an incident or attack on offshore oil and gas exploration and production infrastructure. This is all the more important as current and future exploration continues to push out into deeper and more distant waters to satisfy the increasing worldwide demand for oil and gas resources.

The report is thorough—drawing on detailed input and consultation with state and territory governments, industry and peak bodies such as the board of the Australian Petroleum Production and Exploration Association (APPEA). Indeed, industry’s input was critical to the development of this report and I would like to thank them for their generous and honest interactions and contributions. Simply put, the report would not be of the quality it is today without the access, aid and assistance they provided.

With the sector’s assistance, Mr Palmer and his team undertook extensive Australian and international consultation to better understand, review and assess security planning and preparedness, recruitment, training, government and industry interaction, command and control arrangements, response capacity and clarity, and communication and information-sharing arrangements in the oil and gas resources sector environment.

In preparing the report, the team conducted 31 offshore and onshore visits and over 50 consultations in Australia as well as eight offshore and onshore site visits and 45 consultations internationally. These spanned Western Australia, the Northern Territory, Queensland, the Bass Strait, and the Joint Petroleum Development Area in the Timor Sea through to site visits organised by the United States Coast Guard to facilities in the Gulf of Mexico.

The inquiry also benefited from a legal framework, research and discussion paper prepared by the University of Queensland, which was considered as part of the preparation of this inquiry report, informing the inquiry on the current and relevant international and Australian maritime law. The final result is an impressive depth of inquiry for an important issue—with 10 detailed recommendations spanning issues ranging from onsite security audits and inspections, security access, exercise and exclusion zones through to government and industry interaction and relationships, incident response and, importantly in the current computer age, cybersecurity. In addition to the recommendations, the report details possible options in response to the recommendations raised.

Furthermore, drawing upon the learnings from the offshore and international consultations, the report details a further 10 possible approaches for consideration, based on United States, North Sea and our own experiences as to what has worked successfully and what could be improved. In summary, the report highlights an important point. We can be confident that our security measures are international best practice.

However, it also highlights areas where current security related practices and arrangements could be improved, and it suggests options which will warrant further consideration by government. I thank Mr Palmer for his work on this important issue and for his detailed report, which I table for members and commend members to read in detail.

RETIREMENT OF THE INSPECTOR OF TRANSPORT SECURITY

While thanking Mr Palmer I would also like to acknowledge his wider contribution.
For those who may not be aware, Mr Palmer is a 35-year career police professional. He brought to this report and to his role as the Inspector of Transport Security extensive experience in policy leadership and reform in the community, national and international policing sector. It is a difficult role, requiring the investigation of transport security matters, including major transport incidents, or, where necessary, patterns of incidents which may indicate possible weaknesses in our transport security systems. It is also a position that requires significant vision to proactively identify where transport security arrangements could be further improved. And Mr Palmer has done so with distinction.

It has certainly been a busy time during his tenure, during which a number of very important inquiries were undertaken, in addition to the offshore inquiry. His work included the surface transport security assessment, the Sydney Airport security screening review, and the ferry security inquiry. Of particular importance was Mr Palmer's international piracy and armed robbery at sea security inquiry, which looked into the worldwide issue of maritime piracy and armed robbery at sea, and considered the effectiveness of security arrangements of Australian ships in light of this threat. This work has directly resulted in Australia making a significant contribution to the United Nations Office of Drugs and Crime Counter-Piracy Program. Indeed, the report has been used by a number of nations when developing their response to piracy and has ensured that Australia has in place an appropriate security framework to deal with maritime threats. Of course, these inquiries—past and current—were in addition to his inquiries conducted for other portfolios such as the inquiry into the circumstances of the immigration detention of Cornelia Rau and more recently the Risdon Prison Complex inquiry, undertaken for the Tasmanian government.

Mr Palmer's contribution to Australia goes beyond his most recent work inquiring into matters of national importance. I mentioned he has had 35 years as a police professional; a career which started as a member of the Northern Territory Police in 1963 where he served Territorians for 16 years. In 1983, after having acted as barrister at law in Queensland, he returned to the Territory as a commissioned officer, before being promoted to Commissioner of the Northern Territory Police, Fire and Emergency Services in 1988. It was also at this time that he received the Australian Police Medal.

In 1997, he was selected as the member for Asia to the Interpol Executive Committee where he served for three years. Here he worked as part of the executive committee to supervise the delivery of the decisions of the Interpol General Assembly and prepare the agenda and program of work for the general assembly's consideration. It was also during this period that he was rightly recognised for his work in introducing far-reaching anticorruption processes in the Australian Federal Police, receiving the Officer of the Order of Australia in 1998. It was of no surprise that upon his return he was promoted, this time to commissioner in the Australian Federal Police, where he served for a further seven years.

Finally, before taking up the role as Inspector of Transport Security, he worked for a number of years as a private consultant and as an associate professor at Charles Sturt University's Australian Graduate School of Policing, providing a valuable opportunity to pass on his wealth of knowledge and insight into both the law and law enforcement to the next generation of leaders. Indeed, his academic pursuits have been notable, from being conferred a Doctor of Letters for his
advancement of policing to his extensive writing on modern police practices, including as the co-editor of the authoritative law enforcement text, *Police Leadership in Australasia*.

In closing, it is always very sad to lose from this position such a wealth of experience and judgment. However, I am pleased to note that he will continue to contribute to public life through his ongoing work in the human rights and not-for-profit sector, and through future engagements in the public and private sectors.

I sincerely thank Mick Palmer for his many decades of service to the safety of the nation and wish him all the very best in his future endeavours.

I ask leave of the House to move a motion to enable the member for Wide Bay to speak for 9½ minutes.

Leave granted.

Mr ALBANESE: I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Truss (Leader of The Nationals) speaking for a period not exceeding nine and a half minutes.

Question agreed to.

Mr TRUSS (Wide Bay—Leader of The Nationals) (13:03): Protecting Australia's $28-billion-a-year oil and gas industry is vital for Australia's future energy security. As the minister notes, the industry employs some 10,000 Australians across the country and accounts for 2.5 per cent of Australia's GDP. Offshore oil and gas production provides a major input into our economy and its infrastructure is of critical national importance. There are around 170 oil and gas production platforms in operation around the Australian coast from the Timor Sea, the North West Shelf to the Bass Strait.

Australia's gas production for domestic and export markets continues to increase every year. However, petroleum liquids production is still falling. In 2000-01 Australia produced 272.4 million barrels of petroleum liquids. By 2009-10, this had fallen to 186.9 million barrels. There is further scope for exploration and appraisal drilling to address the growing demand for petroleum liquids. While Australia accounts for approximately 0.6 per cent of world oil supply and 1.5 per cent of worldwide demand, oil and natural gas accounts for nearly 56 per cent of primary energy consumed in Australia. In fact, Australia is the ninth largest energy producer in the world.

With the rise in international piracy and the threat of terrorism, it is certainly timely to revisit the security requirements in place to protect our offshore oil and gas assets. I note from the minister's summary of the report being tabled today that he said we can be confident that our security measures are international best practice. However, I am alarmed to read in the report:

… it is understood no on-site offshore facility security assessments have been conducted since 2007.

That is indeed an alarming gap. It suggests the gaping security assessment gap is indeed real. Indeed, the report highlights and recommends:

In the opinion of the Inquiry, the current Australian situation is unsatisfactory and arrangements should be implemented which provide the capacity for an effective offshore security audit program to be introduced and maintained.

What in fact is happening—to use the minister's words—is best practice in the world is indeed at risk. That is hardly world's best practice. If asylum seeker boats can turn up every day, often unobserved, it is clear that our security is as open as a sieve.

In recent years, pirates have been involved in unsuccessful attempts to attack and take over
an oil rig off the coast of Nigeria with a firefight erupting between the Nigerian Navy and the pirates. As the minister has noted before, while there is no suggestion of a particular threat against any specific oil and gas platform, vigilance is essential.

It is clear that any potential security threat would be extremely damaging to our national economy and affect our energy security. I refer the minister to today's report finding:

While within Victoria and Western Australia relevant state police engage on a regular basis in joint exercises with industry on near-shore offshore facilities, it is understood that no Commonwealth agency has participated in such exercises since about 2004.

There are other unsatisfactory findings. The report stipulates:

Industry has emphasised the constructive relationship it generally enjoys with government agencies. There is, however, common agreement that increased engagement between industry and government security agencies, aimed at enhancing mutual levels of understanding—industries' knowledge of the intelligence gathering, analysis and dissemination processes of government and government's knowledge and expertise of industry—in the security space, is necessary.

Moreover:

While this initiative will make a positive contribution to the improvement of the nature and quality of intelligence sharing and the interaction between government and industry, the broader current levels of engagement and communication would benefit from further and ongoing improvement …

The Australian Security Intelligence Organisation (ASIO), which were already playing a constructive role in government and industry relationships through the publications of the Business Liaison Unit (BLU), have been quick to recognise and react to these industry concerns and an industry roundtable was convened by them in Canberra during March 2012 to specifically address the primary matters of concern.

In terms of security shortfalls relating to recruitment, the report finds:

The vetting of Australian employees as part of the application process for a MSIC generally comprises a criminal-record check, as well as internal company checks deemed appropriate. Industry sees the MSIC process as providing an additional layer of security vetting above the level they can provide themselves.

However, although the MISC vetting process provides a security assessment and a photographic record of an individual employee, the process is limited. Currently, the requirement for a MSIC does not apply to foreign nationals or to Australian and other workers engaged on non-regulated vessels operating under subcontract arrangements.

Clearly, as the report finds, much more needs to be done.

The coalition will always support sensible moves to enhance our maritime security regime. The coalition has a history of proposing and supporting sensible measures to enhance our maritime security regime and, in this case, the security of our offshore oil and gas assets. For example, in 2005 it was a coalition amendment to the Maritime Transport Security Act 2003 that required operators to write and follow security plans, including security risk assessments and preventative strategies to manage risk.

The coalition notes the report and is extremely concerned about the gaping holes in Australia's offshore oil and gas resources security. The coalition has a record of securing Australia's borders and strengthening security requirements across the maritime industry including our offshore oil and gas assets. There appears, from this report, to have been serious lapses since 2007. It is not satisfactory at all—let alone, the world's best practice.
Finally, like the minister, I would like to pay tribute to the outgoing Inspector of Transport Security, Mr Michael Palmer as he completed his term on 7 June this year. He has served with distinction not only in his most recent role but in an outstanding career of service and dedication. He served in his current position as Inspector of Transport Security during the whole time I was transport minister, and I admired his dedication and commitment.

As the minister noted, Mr Palmer is a decorated policeman of 35 years service, winning the Australian Police Medal in 1988. He started out with the Northern Territory police in 1963 where he served for 16 years. Then, after a stint as barrister-at-law in Queensland, he went back to the Territory in 1983, this time as a commissioned officer. He was duly promoted to the rank of Commissioner of the Northern Territory Police, Fire and Emergency Services in 1988. He became the Member for Asia, as the minister said, in the Interpol Executive Committee in 1997.

It was during this time that Mr Palmer was one of the architects of the Australian Federal Police's anti-corruption provisions. This earned him an Officer of the Order of Australia award in 1998. I could go on, but let me thank him for his exemplary service and, in particular, the last seven in his role as Inspector of Transport Security. He leaves with the best wishes and respect of all who have served and worked with him, and the coalition wishes him well for the future. His extensive career background gave great authority to his reports.

Finally, I also take the opportunity to welcome Mr Andy Hughes, who took up the post of Inspector of Transport Security from 8 June. Mr Hughes is also an experienced police officer. He has served in the AFP, including in the senior executive service, and was the Chief Police Officer for the ACT, as well as being in charge of national operations and international operations for the AFP. He was the commissioner of the Fiji Police Force and spent two years with the United Nations as the police adviser on peacekeeping internationally. As Mr Palmer has observed, Mr Hughes comes ideally equipped for the position, and I wish him well in the new role.

**COMMITTEES**

**Economics Committee**

**Report**

Ms OWENS (Parramatta) (13:13): On behalf of the Standing Committee on Economics I present the committee's advisory report on the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012, together with the dissenting report and the minutes of proceedings.

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

Ms OWENS: by leave—The Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 makes consequential administrative changes to support the tax rate changes in the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012. In particular, the bill sets withholding rates so that the correct amounts are withheld and are available for payment under the second bill at a later date. The substantive provisions of the bill are in schedule 1. It replicates exactly the provisions in schedule 4 of the Tax Laws Amendment (2012 Measures No. 2) Bill 2012, the third bill. The third bill was one of four bills that the committee examined in its last advisory report, tabled on Monday, 18 June 2012. In this inquiry the committee received submissions on this issue and took evidence from key stakeholders—in
particular, the Financial Services Council, the Property Council and the Treasury. The committee concluded that all four bills should proceed. The referral of the bill is in effect requesting the committee to repeat its previous inquiry. The committee sees no constructive benefit in this, given that the circumstances are much the same as when the committee tabled its report a week ago. The committee reiterates its previous recommendation that the House pass the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 as proposed.


Liberal members of the committee have lodged a dissenting report in relation to this bill. It is curious that this report, as the chair of the committee outlined, reflects on a bill that was before the committee only a matter of weeks ago and which the committee has already reported on. Mindful of that, the Liberal members of the committee have made dissenting comments that highlight our concern that perceptions about the sovereign risk in Australia are founded in reason—because this government does not know whether it is Arthur or Martha. That goes very directly to the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012.

The government originally announced they were reducing the rate from 30 per cent down to 7½ per cent. Then they announced in the budget that they were increasing the rate from 7½ per cent to 15 per cent. Then they decided to withdraw and leave it at 7½ per cent, before introducing this bill, which puts it back up to 15 per cent. Is it any wonder at all that people are confused about what this government is up to? Is it any wonder that as Liberal members of the committee we stand steadfastly opposed not only to the impact of the bill itself but also to the very process of in-again, out-again, on-again, off-again, that this government has adopted with respect to the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 and, more broadly, with respect to withholding taxes are generally?

We stand by our concerns as raised in the previous dissenting report of the committee. We also highlight that there were some robust criticisms of Treasury modelling and of the comparison rate chart that was put forward by Treasury and tabled and lodged with the committee secretariat and raised by, for example, the Property Council of Australia.

BILLS

Fair Work (Registered Organisations) Amendment Bill 2012

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

"the House notes with approval that, in response to public pressure, the Government has introduced this limited bill, but deplores the Government's failure to:

(1) establish an independent Registered Organisations Commission to:

(a) enforce, and police the reporting and compliance obligations;

(b) provide information to members of registered organisations about their rights and act as the body to receive complaints from their members;"
(c) educate registered organisations about the new obligations that apply to them; and

(d) absorb the role of registered organisations enforcer and investigator, currently held by the General Manager of Fair Work Australia;

(2) ensure registered organisations face the same accountability and transparency measures as required of companies and their directors under the Corporations Act; and

(3) ensure registered organisations face the same penalties as companies and their directors under the Corporations Act.”

Mr VAN MANEN (Forde) (13:17): I rise to speak on the Fair Work (Registered Organisations) Amendment Bill 2012. It is interesting that it took the government only 10 days to announce this legislation, but only after the Leader of the Opposition had announced the coalition's Better Plan for Accountability and Transparency for Registered Organisations. It is flattering that Labor has sought to emulate the stance that had been articulated by the Leader of the Opposition, but, as usual, Labor's plan is lacking in a number of key areas: it still sees Fair Work Australia in control of investigating registered organisations; it does not expressly provide Fair Work Australia with the ability to cooperate with police; the requirements and penalties are still not in line with the Corporations Act; and it has no reporting mechanism on why investigations are going overtime.

The coalition's plan, on the other hand, seeks to make sure that members of registered organisations can be assured that their money is being used for the right things and for their interests. There are rules to ensure that companies and their boards of directors do the right thing—the same rules should apply to registered organisations and their officers. Our plan seeks to ensure that registered organisations and their officers are as accountable and transparent as companies and their directors, and that we have a level playing field where we ensure that everybody plays by the same rules. It is clear from the experience with the HSU that Fair Work Australia is not up to the job of making sure that registered organisations do the right thing—it is either a model of incompetence or is engaging—or has engaged in—a deliberate and overt go-slow to protect the government.

The coalition's plan proposes to remove from Fair Work Australia both the investigative and the compliance powers over registered organisations and give those powers instead to a new, genuinely independent body, which will be called the Registered Organisations Commission. The Registered Organisations Commission will have stronger powers. It will be tasked with acting quickly and efficiently and will be required to cooperate with other law enforcement agencies where it is in the interests of the public to do so.

By contrast, in this bill and under Labor's proposed changes Fair Work Australia would continue to be responsible for registered organisations. Under the government's plan, former union bosses are going to regulate union bosses. It is akin to putting the fox in charge of the henhouse. The rules and requirements which would apply as a result of the proposed changes are still significantly weaker than those currently applicable to company directors. Company directors are subject to 697 federal and state provisions that impose legal liabilities, including massive fines and jail time.

While the penalties proposed in the bill are in line with other civil penalties in the Fair Work Act, they still fall considerably short of those required under the Corporations Act. It is the disjointed and inconsistent nature of this regulation that creates opportunities for people to find
loopholes. This is disappointing but also expected of this government.

Under the coalition's plan, the penalties would be the same across the board, whether for union bosses or company directors. It is worth noting that we can enforce penalties all we like but, at the end of the day, it is individual behavioural systems that let the everybody down. This point was highlighted in an article by Chief Rabbi Lord Sacks when he said:

Those who believe that liberal democracy and the free market can be defended by the force of law and regulation alone, without an internalised sense of duty and morality, are tragically mistaken.

As we discussed in earlier debates today, that rings very true. In a perfect world, citizens would be more aware of their 'moral' responsibility; however, as we all know, this is not necessarily the case.

While this bill seeks to expand police cooperation powers, it does not clearly state that Fair Work Australia can cooperate with police. Given the track record of Fair Work Australia, it is important that we get clarity on whether there will be cooperation in this area. There is also no express provision to allow Fair Work Australia to provide a brief of evidence to the DPP when it is important to give express powers to allow this to happen. This is a bill designed by a former union boss to regulate union bosses that sees former union bosses as the 'cops on the beat'. It is a weak bill that does not go far enough and we call on the government to support the common-sense amendments that we will be proposing.

These amendments will include: to give specific permission for Fair Work Australia to prepare a brief of evidence; to ensure that the investigation is conducted by Fair Work Australia, not outsourced entirely, as this bill would allow; to ensure that the disclosure of how money is spent is provided to Fair Work Australia as well as to union members; to have reports to parliament on why investigations are taking so long, when the investigations last for more than a year, and then every six months thereafter; to make the provision relating to police cooperation very clear so that Fair Work Australia can cooperate with police at the commencement, during and at the conclusion of an investigation; and to increase the penalties for misusing members' funds, in line with the Corporations Act. At the end of the day these bills and the penalties imposed should not be compromised to keep union bosses happy. They should be designed to protect everyday working Australians that fund these unions in the first place.

In terms of the case with the HSU, it is disgraceful to see health workers' money being spent for personal purposes by union bosses and employees. Our health workers, who look after our ageing population, work with the disabled and support the sick, are not usually rolling in dough. They work hard to pay their bills and pay their unions to represent their best interests. If I were part of this workforce paying union dues, I would be outraged by the recent reports in the media about what has gone on and the outrageous, unauthorised expenditure of union funds. It is because of this investigation that we stand here today debating this proposed legislation. We have maintained all along that the process Fair Work Australia has undertaken on this investigation was severely lacking. The final report that was produced had 1,200 pages, with many pertaining to the former secretary of the HSU.

We will not oppose this bill but will seek to apply sensible amendments to make it work better in everybody's interests, as we agree that something needs to be done to ensure that money being paid by members to registered organisations is used for proper
purposes. As previously stated, and as usual, the coalition have a better plan and we will seek to improve the proposed legislation by making the amendments I referred to earlier.

Mr BANDT (Melbourne) (13:25): It is obvious, as a number of members have already made clear in their contributions to this debate, that the Fair Work (Registered Organisations) Amendment Bill 2012 is a response to some pretty concerning allegations that have been made in recent times about expenditure of union money in this country. There should be a fundamental principle that applies whatever your union, and that is that members’ funds are spent for the advancement of members’ interests.

Unions are one of the few organisations that we have left in this country where members are able to exercise some very real control over the direction of their organisation and who runs it. You will find more democracy and control in a union than you will find in a publicly listed or a privately listed company or in many incorporated associations. It is a fundamental principle of unions, but it of course relies on members being properly informed about what happens in their union, including in their union leadership.

To the extent that this bill aims to provide members of unions with more information about what is happening in their own organisations, we are supportive of the intent of the bill. We note that the ACTU, the Australian Council of Trade Unions, also supports this legislation. However, I do wish to raise one comment, which is that I wonder whether, in their haste to introduce this bill, the government have created in some ways an unlevel playing field.

The requirements for disclosure of remuneration that are found in this bill would be a very good principle if they in fact applied across the board. But what we know is that, in many instances, unions and workers will find themselves negotiating with private proprietary limited companies and those companies may be very big and very powerful. There is no obligation on the five most senior staff within a privately listed company to tell the union or the workforce what they are earning and yet there will be an obligation on the people in the union to disclose their remuneration. So, potentially, as a result of this bill, we will have a situation where a union official—and it might not even be an elected official; it might be a staff member—is sitting down across the table from a very well paid human resources manager or consultant or one of the directors of the company, and one side will know what the other gets paid but the reverse will not be the case.

I am concerned that that may lead to a situation of significant power imbalance between workers and their representatives on the one hand and employers who may be very big and powerful employers on the other. For all the reasons I outlined before, that is not enough reason to stand in the way of this bill. But we do note that perhaps, in their haste, the government have tipped the playing field slightly against the people that this is supposed to assist.

Mr BRIGGS (Mayo) (13:29): I rise also to speak on the Fair Work (Registered Organisations) Amendment Bill 2012 and support the amendments moved by this side of the House. I will begin my remarks by quoting from another member in his contribution late last week. The member said:

In my experience, the vast majority of trade unions are professionally managed by highly competent and dedicated people who act on the basis of sound professional advice. But, regrettably, there have been exceptions to that. Officers have sought to obtain personal benefit or benefit on behalf of others at the expense of
members of their union. Reported instances include not only misapplying funds and resources of the union but also using the privileges of their office to attract and obtain services and benefits from third parties.

Aside from issues of profiteering, secret commissions and tax avoidance, these undeclared benefits can compromise officials. Rather than diligently representing the interests of their members without fear or favour they effectively ‘run dead’ as a result of these side deals. This is no less than graft and corruption in its most reprehensible form, and it occurs at the expense of vulnerable members whose interests they have been charged with representing.

That was in the early part of the contribution from the member for Barton, who made, I thought, an extremely good contribution to this debate last Thursday. They are words that I very much agree with.

Unions play a fundamental role in Australian workplaces and people have the right, and should always have the right in our free and open democracy, to join a trade union. And to ensure that the trade union is managed properly and within the law, you need to ensure that the laws that govern them give people faith that they can trust that the money they are contributing will be used to represent their best interests.

The same applies to the employer who decides to join a group of like-minded employers to have their interests represented in industrial relations in this country. It is an important element of running a business, dealing with your staff. It is a complicated area of law which very rarely goes through a period of five years without having substantial change in one form or another. So these are important institutions in our country. Trade unions are a very important institution in our society.

What we have seen in the last 2½ to three years—and have probably seen only very few times in the past—is a fundamental undermining of the role of unions and the faith that people have in their operation. I think that the member for Barton is right to say in his contribution that the vast majority of trade union officials are professional and the vast majority of unions are managed professionally by highly competent and dedicated people, and many of them in this parliament, who were formerly trade union officials, fit into that category. They care deeply about their perspective, they care deeply about the working people who join trade unions, and they have sought in their career to represent them to the level that they have risen in being elected to the federal parliament, and I think that genuinely of many of those on the other side.

But what, I think, should pain us all is that laws—laws which I have some familiarity with—have for some time been so badly abused and so badly misused. It must cause many of those on the other side a great deal of pain to see the institutions which are so valued and so important in our society undermined by those who are—in the member for Barton's words—‘profiteering', seeking 'secret commissions' and practising 'tax avoidance' which is 'no less than graft and corruption in its most reprehensible form'.

The allegations and the evidence which have been produced in relation to the Health Services Union are an example. No worse allegations could have been made. The fact that we are having to debate this bill in such haste, as the member for Melbourne commented, shows just how shameful this episode has been. It has dragged out for a period of four years because the agency which has been enlisted to investigate it has dragged its feet, for whatever reason. It has been shown not to have the capabilities or the capacity to investigate thoroughly enough or to bring justice to those members
whose funds have been used in inappropriate ways.

Putting aside the contemporary and real political debate in relation to a member of this parliament who had involvement in these issues, and putting aside whether he was at fault or not, there is no doubt that this behaviour went on. There is no doubt that this behaviour was allowed to go on for a very long period of time, and there is no doubt that many within the union movement knew that it was going on. There is no doubt about that. A very recent piece from Aaron Patrick in the *Australian Financial Review* steps clearly through what people knew and when they knew, and the extent of the involvement of people in the party of those who sit opposite must bring great pain to many.

So this bill is an attempt by the government to address issues which have become clear in the HSU matter and other matters that the member for Barton refers to further in his speech, and he makes the point that the Prime Minister has some familiarity with some of those similar issues. To those involved in industrial relations, practitioners across the country, I think people are genuinely shocked at the level, as the member for Barton said, of graft and corruption which has gone on, and are surprised that these measures have had to be enacted in the first place.

We say, and rightly, that this bill does not go far enough. In fact the Leader of the Opposition announced, just 10 days before this bill was announced, stronger measures, and they are measures that we move as amendments to this bill. What we need now—and what we quite obviously needed in the past but what was not fully understood—are the strongest possible measures, measures which are consistent with responsibilities that corporations are required to meet. We need these measures because the faith of people who are paying their union dues week in and week out has been fundamentally undermined by the evidence as to and the examples through the Health Services Union. For those who do not understand or know, the Health Services Union workers are the people who push trolleys around hospitals: the hospital orderlies. These are not well-paid people. These are people who usually come from a migrant background, a non-English-speaking background. They are usually low skilled; although, some current members of the HSU are undoubtedly skilled employees. Many are unskilled and many are exactly the sort of workers who should be members of a trade union because they do need assistance in negotiations.

It has been a fundamental principle I have always supported that if someone wants to be represented they should have that opportunity. So it must pain all of us to see what has happened to these people who have committed their small amount of funds, albeit from their pay packets, every week, funds that could be used for all sorts of other purposes to make their life easier. In doing so they have knowingly made their own choice to commit to an organisation because they think that it is helping them to better their circumstances and that it is an institution that will negotiate with employers on their behalf to ensure a far better outcome in their workplace. But what they now know is that the money they contributed, for however long they have been contributing to that institution, has not always gone to these good causes, including the good cause of fighting for their rights and responsibilities.

We hear much from those opposite about the rights of working people and about ensuring that working people have fair pay and conditions and fair workplaces. We currently hear in question time the minister
for workplace relations trying to create each day a political issue out of state legislation because he claims working people are going to be worse off, yet we have not heard the same minister and other members who also argue strongly on these matters—like the member for Wakefield and the member for Kingston, in my own state of South Australia—express the great outrage that they should be expressing when it comes to these matters. This bill is before the House not because the Labor Party want to reform the way that registered organisations operate but because they want to cover their great shame at the way that these workers have had their money ripped off from them in unimaginable ways. They have been ripped off to an enormous extent. There are suggestions that the amount of money ripped off from these union members could be somewhere around $20 million. The sums are quite extraordinary.

I have always been uncomfortable with the fact that trade union members contribute money to a political party whether they wish to or not and I think that is an area of reform that this country needs to consider. I know the new Premier of Queensland is considering such things, and I congratulate him for it. Early on in his premiership he is proving to be someone who will get things done, someone who is setting a course for the right things to be done. And this is a right thing to do. To give people choice about where their money is going is the right thing to do, particularly in the circumstances which we have seen in this HSU debacle, this shameful episode in Australian industrial relations history which is not yet fully investigated or prosecuted. So this bill is a shameful attempt by the minister for workplace relations to cover what is an ongoing sore for the union movement and the Labor Party which undermines the faith Australians have in these important institutions. The Australian Labor Party is an important institution as well but currently the leadership is trying to undermine as much as it possibly can people's faith in it.

As Senator Abetz has said time and time again, in relation to this bill—and the member for Forde repeated this before—it is true that this bill is designed by a former union boss to regulate union bosses and it sees former union bosses as the cops on the beat. It is completely conflicted. It is weak at its very foundations. It will not do the job it needs to do to ensure recovery of the faith that has been lost in this whole process, this whole shambolic HSU episode with its factionalism and nastiness and with its 'graft and corruption', to quote the member for Barton's terrific contribution last Thursday—reflecting the freedom of the back bench that he now has to outline some of these concerns. He did so in a quite fulsome way, as the House should be reminded. Obviously, he knows and he has seen all this as he makes the point in his contribution that in his time in legal practice these issues have been played out. That is the most concerning thing of all, that what has gone on at the HSU could be rife in the union movement. Certainly the member for Barton was indicating last week that there are concerns about other episodes and other examples and that these are matters which should be looked at, and I am sure that in the future there will be more consideration given to ensuring that the money of trade unionists, the people who decide willingly to contribute their own funds for their own betterment in the workplace, is being used in an appropriate fashion.

Sadly, this bill will not ensure that that is the case. The proposed amendments that have been put up by the coalition will ensure that that is the case. Certainly, they will ensure that there will be a greater level of transparency to ensure that people are being
We all know that to compete at an Olympic level takes a huge amount of determination that most of us simply cannot fathom, but Paralympians take it to a whole new level. Determination, commitment, strength and courage are words that come to mind when you think of the challenges these athletes have overcome to excel in their chosen fields. On my website contact page I invite Higgins residents to send messages of support that I will pass on to Shelley, Cobi and Katy for the Paralympics between 29 August and 9 September this year. I want them to know that we are behind them, wish them all the best and know that they will do Australia proud.

Sydney Dance Company

Mr LYONS (Bass) (13:46): I rise today to congratulate everyone involved in the Sydney Dance Company's excellent production of The Land of Yes and the Land of No. On 15 June I had the pleasure of attending a performance of this production at the Princess Theatre in Launceston in my electorate of Bass. To be able to experience a world-class performance from all involved, from the choreography to the sound, the lighting, the direction and the brilliant dancers, was a real treat. I particularly acknowledge Tasmanian dancer Jesse Scales. I am sure that it was an enjoyable experience for Jesse to return to her home state and showcase the skills she has acquired from years of training and performing on the mainland and in New Zealand. It was certainly a pleasure to watch her in action. Credit must go to world renowned designers Rafael Bonachela, Alan MacDonald, Ezio Bosso, Guy Hoare and Theo Clinkard. I also acknowledge Tasmanian Graeme Murphy, who led the company as Artistic Director from 1976 to 2007.

Once again, I congratulate everyone involved in the Sydney Dance Company. I
am thrilled that funding from the Australian government through the Australia Council is allowing them to share their talents across the nation.

**Aged Care**

Ms GAMBARO (Brisbane) (13:47): Today I highlight the fantastic work being done by Co.As.It in Queensland. For 25 years Co.As.It has been providing community care services for the Italian aged care community in Queensland. Director Dina Ranieri and her wonderful staff provide in-home care and also a very dedicated service in their respite centres.

Since 2005, the Queensland Co.As.It team has been successfully providing training for staff in Italian nursing homes, community health centres and all of the local hospitals in Brisbane and two on the Gold Coast. It has implemented over 600 activity groups for the elderly in local nursing homes. All this was supported by the government under the Community Partners Program within the Department of Health and Ageing—until now.

It is disappointing to the dedicated people of Co.As.It in Queensland that their application under the new grant was not approved, and they cannot even find out why. They were told that funding under the Community Partners Program would not be available, yet I am advised that other organisations in other states have been funded under the same Community Partners Program. The community has every right to know what is going on. How hypocritical of this government that on one hand they are not funding community organisations that do a great job while on the other hand they have a multicultural inquiry looking at submissions and saying that there should be more aged care places made available to aged migrants with non-English-speaking backgrounds.

**Fowler Electorate: Sustainable Streets Program**

Mr HAYES (Fowler) (13:52): Earlier this month, together with the Fairfield City Mayor, Frank Carbone, I attended the opening of stage 1 of Bibby's Place Sustainable Streets project. The first stage of the project involved developing the Bibby's Place cul-de-sac into a highly environmentally sustainable street with solar lighting, recycled seats, porous paving and new landscaping. The local residents and community will be able to use the street as a meeting place and also as location for a number of entertainment and recreational activities. The project is a successful example of all levels of government—state, federal and local—working together to identify and fund projects that will lead to benefits for the entire community.

Bonnyrigg is one of the fastest-growing centres in south-west Sydney. There are 11 places of worship, including temples, mosques and churches, and seven cultural clubs lie within a kilometre's radius. The Bibby's Place cul-de-sac is unique but so typical of our diversity. It is a home to a number of religious sites, including a Chinese Presbyterian Church, a Vietnamese Phap Bao Temple, a Turkish mosque and a Vietnamese cultural centre. Many of their representatives attended the opening, including Joseph Park, from the Bonnyrigg Christian Church; Toan Nguyen from the VCA; the leader of the Bonnyrigg Mosque, Imam Nurullah Karakas; and the most venerable Thich Bao Lac from the Phap Bao Temple.

Bibby's Place is a showcase of cultural harmony and environmental sustainability and will be most beneficial— *(Time expired)*

**Mental Health**

Mr TUDGE (Aston) (13:50): I inform the House that a headspace centre will soon
be established in the Knox area in my electorate, which is a terrific outcome. It is a combination of a more than 12-month-long campaign which I have spearheaded along with many other people in the local community. We have organised a 10,000-strong petition, we raised over $10,000 from local organisations to contribute to the establishment of the centre and we have done numerous speeches and media releases in this parliament along the way.

I am absolutely delighted that this centre is coming to our area. It will be located in the old Centrelink building in the Knox Ozone precinct which, as members may not appreciate, is the hub of the Knox community and is where young people generally will go and hang out. The centre will involve counselling services, GP services, psychiatric care and some drug and alcohol care, as well as employment services—a full suite of services targeted at 12- to 25-year-olds. Our hope is that young people who are battling depression and severe anxiety may see this as an opportunity and as a place where they can walk into and get the care and assistance they need so that they can live full and fulfilling lives like everybody else.

Macarthur Electorate: Australian Defence Force

Mr MATHESON (Macarthur) (13:52): Today, I would like to share with everyone an email I received from an Australian soldier serving our country in Afghanistan:

G'Day Russell, I am a deployed member serving in Afghanistan that just received one of the best parcels a soldier could from Australia.

A gift packed by children I do not know, arranged by a teacher I have not met and sent with the best wishes and thoughts of a nation worth fighting for.

Could you please let Ms Jenny Budd and the children of Kindy and Year 1 at Thirlmere Public School know that their care package has arrived and I have just responded, so a letter should be there in a couple of weeks.

The reason I am letting you know is because Jenny sent a cut out from the local paper where you sponsored a website promoting such actions.

Party politics aside... a great act by an elected representative.

Thank you to you and particularly the teachers and students at Thirlmere Public School who have demonstrated in one small box what being Australian is all about... supporting your mates.

This is a lovely email from one of our soldiers who was touched by the kindness of some local children and their teacher. They did this as part of the Support the Troops Campaign, which was supported by many members of this House in the lead-up to Anzac Day.

After receiving this email I visited the children at Thirlmere Public School with the state member for Wollondilly, Jai Rowell. The children were so excited to hear from the soldier and were keen to tell me about all the things they put in the care package for him.

The response I received from this soldier shows how much it means to our troops to have the support of the Australian public behind them. Being away from family and friends to serve your country overseas is not an easy thing to do. I am glad that the children from Thirlmere were able to lift the spirits of this soldier and show him that he has the support of our nation behind him. I congratulate them on their efforts.

Shortland Electorate: Diabetes Week

Ms HALL (Shortland—Government Whip) (13:53): I rise today to share with the House the fact that I am holding a diabetes forum in Swansea on 12 July. I will be inviting all residents from the Swansea-Caves Beach-Marks Point area to come along and learn the facts about diabetes. The
12th of July falls within Diabetes Week, a week when it is very important to raise community awareness about diabetes, to allow people to put in place strategies and to improve their lifestyle, which will in turn improve their chances of remaining healthy and not developing diabetes.

To a large extent diabetes, particularly type 2 diabetes, is a lifestyle disease. At this forum people will learn strategies about healthy eating and exercise that they can put in place to minimise their chance of developing type 2 diabetes. On the day, we will have nurses from Diabetes Australia in attendance and we will also have somebody coming along to demonstrate the type of exercise that the residents of that area can undertake to not only improve their physical fitness but minimise their chance of contracting diabetes. (Time expired)

Bennelong Electorate: Rotary Clubs

Mr ALEXANDER (Bennelong) (13:55): Last week I attended Epping Rotary's 50th anniversary dinner at the Epping Club with over 300 people supporting this black-tie event to congratulate Epping Rotary on 50 years of charitable work in the Bennelong and wider communities. The beneficiary of this fundraiser was The Shack, a great local group who help young people in the region to regain control over their lives through mentoring, crisis intervention, counselling services and guidance to apply for jobs.

Thank you to all of the members of the Epping Rotary Anniversary Organising Committee for hosting a wonderful occasion, deserving of the esteemed Rotary brand. Rotary is famous for implementing programs through the four-way test: is it the truth; is it fair to all concerned; will it build goodwill and better friendships; will it be beneficial to all concerned? I am sure many of us would appreciate it if our government aspired to these same standards.

Blair Electorate: Lions Clubs

Mr NEUMANN (Blair) (13:56): I had the privilege yesterday with my wife, Carolyn, to attend the Lions Club of Fernvale changeovers. The Lions Club of Fernvale did a fantastic job in the Brisbane Valley when it was ravaged by flood, handing out about 2,000 meals across the Lowood and Fernvale area. This Friday night I will be attending the Lowood Lions changeover as well. I want to congratulate Lion Peter Bennett, who is the president; the secretary, Peter Barnes; the treasurer, Joy Barnes, the vice-president, Geoff Beattie; the membership chair, June Freese; the first-year director, Jack Thorne; the second-year director, Trish Annand; the lion tamer and tail twister, Adam Pinner; and the immediate past president, Glendell Appleford.

They gave out cheques to a lot of different community groups in the Brisbane Valley yesterday. These groups are worthwhile. They also assisted in the Men's Shed at Lowood. They have assisted in many things, including the Rail Trail Fun Run, the seniors social morning barbecue at Fernvale and the Father's Day cricket match. There was a $2,000 donation from Toby and the Lowood IGA for equipment purchases. They have also assisted in the Fernvale Environment and Heritage Festival. They have done a lot of great good in the whole region. They are to be honoured and thanked. They deserve our praise, they have earned our trust and they are worthy of our respect for the work they do, helping people in the Brisbane Valley.

National Pain Week

National Carers Week

Mrs MARKUS (Macquarie) (13:57): I rise today to draw attention to National Pain Week, which will occur during the parliamentary winter break from 22 to 28 July, and National Carers Week, which
occurred last week. These two important weeks are obviously connected, given that Australian carers often makes sacrifices to care and support those who are experiencing pain.

Earlier this month, I met with a resident from the electorate of Macquarie, Andrea Downing, who suffers from chronic pain on a daily basis. As a result of this chronic pain, Ms Downing faces daily challenges. Many like Ms Downing have reduced opportunities for work, having to opt for cheaper accommodation in locations such as the Blue Mountains, where access to health services and suitable transport is limited.

Following my meeting with Ms Downing I have reviewed what I consider to be startling statistics with regard to pain that will be broadly advertised during National Pain Week. One in five Australians suffer from chronic pain. Eighty per cent of those—that is, 16 per cent of the national population—do not have adequate access to treatment for their pain. Chronic pain is a very real and debilitating illness resulting in loss and a lot of misunderstanding. It is a real condition that can manifest itself under a variety of banners and requires thorough recognition as a disability.

It is absolutely critical that people with a disability and their families and carers are provided with the regular care, support and therapy equipment that they need. Effectively, this government will spend more each financial year on its interest repayments than it will spend in total over the next four years on the implementation of the National Disability Insurance Scheme. You can forgive Australian people such as Ms Downing for feeling short-changed because of the government's approach to chronic pain.

Canberra Legends Program

Ms BRODTMANN (Canberra) (13:59): Recently, I put out a call for local sporting legends in the Canberra electorate, extending my Canberra Legends Program, with the hope of discovering some hidden sporting talent. With the London Olympics upon us, I thought it would be nice to mention my first Canberra sports legend here today: 10-year-old Alex Halank is a young windsurfer born and raised in Canberra. Alex is currently in year 5 and, although Canberra is not the best or most likely location for developing windsurfing skills, he has persevered and practised.

The DEPUTY SPEAKER (Ms AE Burke): Order! It being 2 pm, the time for members' statements has concluded.

STATEMENT BY THE SPEAKER

The DEPUTY SPEAKER (Ms AE Burke) (14:00): I appreciate that everybody in the parliament is very concerned about issues being raised in respect of services provided to children who visit Parliament House under the school visitation program. I, like everybody else in the building, am very encouraging of our schools visiting the parliament. As chair of the Parliamentary Education Office Advisory Committee I, like many others on that committee, would in no way want to see this program altered or changed. My attention has been drawn to media reports about the provision of hospitality for school groups visiting Parliament House. I have been advised that the Department of the House of Representatives briefed the House of Representatives Appropriations and Administrative Committee on the budget outlook for the department last week. I understand that the provision of hospitality for visiting school groups was listed as a savings proposal, but the department decided on Friday it would not proceed with that
proposal. Let me repeat that for everybody. It was decided on Friday not to proceed with that proposal. So the service will continue.

**STATEMENTS**

**Asylum Seekers**

Ms GILLARD (Lalor—Prime Minister) (14:01): On behalf of the House I want to acknowledge the dreadful tragedy that happened on Thursday last week, when an asylum seeker boat capsized with considerable loss of life. The precise details of this matter still remain unknown but what we do know is that there were likely to be over 200 people on board this boat, including one 13-year-old boy. The boat capsized with considerable loss of life. While survivors were rescued, at this stage we are unable to determine, tragically, how many people have lost their lives in the sea. One hundred and ten survivors have been transferred to authorities on Christmas Island and a number have been transferred to the mainland for treatment. This is a dreadful human tragedy. I know that members across the parliament would be feeling the weight of that, and we can see many in our community who are grieving from this dreadful news.

We should acknowledge the efforts of those who went to the rescue in not easy circumstances. They include our Australian Navy; our Air Force, which had planes assisting; Customs and Border Protection personnel; personnel from other agencies; and merchant vessels, who responded to the need for assistance and diverted from their commercial activities in order to be available to help. We should thank them for their efforts. Without them many more people would have died. Today we respectfully and very sincerely acknowledge the lives lost last week.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:03): I rise to support the remarks of the Prime Minister, prompted by this latest disaster in the seas to our north. We mourn for the dead; we grieve for the living, who have suffered much; and we offer our support to all the naval and other personnel who have done what they could in the search and rescue effort. If there is anyone to blame in a tragic situation like this, surely it is the people smugglers who prey on desperate people's desire for a better life in Australia. Obviously at a time like this all of us consult our consciences on what is the best course of action to take. I am sure all of us in this House have resolved to put policies in place that will end forever this evil trade.

**DISTINGUISHED VISITORS**

The DEPUTY SPEAKER (Ms AE Burke) (14:04): I would like to welcome into the gallery today a delegation from the Regional Representative Council of the Republic of Indonesia. I welcome them to the parliament today, and I hope they enjoy their visit.

Honourable members: Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Alcoa**

Mr ABBOTT (Warringah—Leader of the Opposition) (14:05): My question is to the Prime Minister. I refer her to the government's intention to give the Alcoa aluminium smelter at Point Henry $42 million in hush money to help pay its carbon tax bill. Given that the Australian Aluminium Council has warned that the carbon tax will contribute to ensuring Australian aluminium operations have no long-term future, will the Prime Minister now announce similar bailouts for all the other 16,000 workers in the industry at sites like Gladstone, Portland, Kwinana, Kurri Kurri and Bell Bay?

Mr Albanese: Madam Deputy Speaker, on a point of order: the suggestion in that
question of hush money is a very serious allegation to make not just against the government but against the company Alcoa.

I request that the Leader of the Opposition, if possible, rephrase the question in a more sensible way.

The DEPUTY SPEAKER (Ms AE Burke): I was going to point out to the Leader of the Opposition that the use of the term hush money is an imputation. I rule that part of the question out of order. I call the Prime Minister.

Ms GILLARD (Lalor—Prime Minister) (14:06): In relation to the Leader of the Opposition's question, I have been concerned, as have the members for Corangamite and Corio, about the circumstances at Alcoa. We have also been advised by the company of those circumstances, which the Leader of the Opposition has come into the Parliament and misrepresented today. The circumstances of Alcoa which have been made available to the government include pressure on Alcoa because of international prices and because of the age of some of its capital stock. We have worked with Alcoa because we believe these jobs are precious. We believe the jobs of Australian workers are precious, and that is why when jobs are being threatened in our economy—for example, by the global financial crisis—we have always worked to protect jobs. We have taken that same ethos about understanding how important jobs are to working people to circumstances at Alcoa and we are working with the company because we want to see a continuation of the company and a continuation of those jobs.

The Leader of the Opposition, of course, is not at all concerned about those jobs; the only thing that will ever worry him is what is the best way of distorting this issue, to make it about his fear campaign. This is not about the Leader of the Opposition's fear campaign; this is about a different set of circumstances. He owes it to the workers there to be honest about it. He owes it to that region of Victoria to be honest about it. He owes it to the people of Australia to be honest about it.

For us on this side of the parliament, jobs will always be something we work to protect. On that side of the parliament, any threat to jobs is just an excuse to try and politically profit as part of their destructive and aggressive negativity. We will work to help working people; they will keep being negative about working people and their lifetime prospects, as we have seen the Leader of the Opposition be already today.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:09): I ask a supplementary question. Given that the government's own modelling shows a 61 per cent drop in aluminium production as a result of the carbon tax, wouldn't the best help she could give the workers at Point Henry be to simply drop this toxic tax?

Ms GILLARD (Lalor—Prime Minister) (14:09): The Leader of the Opposition, before he comes in here and misrepresents circumstances, should acquaint himself with the facts. He should actually pay the respect to working people necessary to acquaint himself with the facts. I refer him to the statement of the Managing Director of Alcoa, Mr Alan Cransberg, who has, as Alcoa has previously stated, that 'the review of the Point Henry smelter and the current situation have not been brought about by the upcoming price on carbon but are as a result of the international price of aluminium and the high Australian dollar'.

The Leader of the Opposition, once again, in here trying to sell his misrepresentations to these working people and to Australians generally—completely disgusting to try and create that fear, completely disgusting to try
and profit off that fear but in keeping with the kind of negativity we always expect from the Leader of the Opposition. He has never cared about saving a job, he has never acted to save a job and today he is not telling the truth about these jobs.

Mr Abbott: I seek leave to table the government's own modelling, which shows a 61 per cent reduction in aluminium production under the carbon tax.

The DEPUTY SPEAKER: That Leader of the Opposition will resume his seat. Leave is not granted.

Asylum Seekers

Mr Lyons (Bass) (14:11): My question is to the Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel. Will the minister update the House on the search-and-rescue efforts for survivors of the boat that capsized last week?

Mr Clare (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (14:11): Can I thank the member for his question. As question time was coming to an end last Thursday a Border Protection Command Dash 8 aircraft spotted a capsized boat with approximately 40 people crowded on its hull, 110 nautical miles north of Christmas Island. This triggered a massive search-and-rescue effort involving Navy patrol boats, surveillance aircraft and merchant ships. By late that night 110 people had been plucked from the sea. The search-and-rescue effort continued into the night, into the next day and the day after that. Unfortunately, no more people were found alive.

The search for survivors was suspended at 8.44 pm Saturday night Australian Eastern Standard Time. There were, reportedly, 200 people on board this vessel. We may never know for certain but it is likely that approximately 90 people may have lost their lives. The bodies of 17 people have been recovered. Initial reports were that all of the survivors were adults except a 13-year-old boy. The latest information that I have is that the survivors included nine unaccompanied male juveniles.

All surviving passengers were transferred to Christmas Island. Four survivors have since been transferred to Perth for medical treatment. I have said that this tragedy needs to be fully investigated to ensure that everything that should have been done was done. An independent inquiry will be conducted by the Western Australian coroner. WA Police and the Australian Federal Police are investigating the incident and are also working to identify victims. Initial interviews with survivors have begun and they will continue over the coming days. A whole-of-government review will also be conducted. This will involve Customs and Border Protection, Defence and the Australian Maritime Safety Authority.

As the Prime Minister and the Leader of the Opposition have said, over the last few days we have again witnessed Australian men and women putting their own lives at risk, reaching out a long way from our own shore to save the lives of people they have never met and do not know. They have worked around the clock in what has been a massive search-and-rescue effort. Can I say again on behalf of everyone here, a big thank you to the men and women of the Royal Australian Navy, Border Protection Command, the Australian Maritime Safety Authority and the merchant ships who came to the rescue. Over the last few days they have seen some truly horrifying things and they have responded with remarkable work. I need to advise the House that a critical incident mental health support team has now been deployed to Christmas Island to assist these brave men and women. This is yet another terrible tragedy. It is incumbent now, on all of us, to learn from this; to work
together and to act to ensure this never happens again.

Carbon Pricing

Mr TRUSS (Wide Bay—Leader of The Nationals) (14:14): My question is to the Prime Minister. I refer the Prime Minister to the government's decision to give the Alcoa aluminium smelter at Port Henry $42 million to help pay its carbon tax bill. Why are the 600 workers at Port Henry entitled to a $42 million payment for the carbon tax but not the 500 workers at Kurri Kurri in the Hunter Valley? Are the workers in that area not a priority because their electorate is not sufficiently marginal?

Ms GILLARD (Lalor—Prime Minister) (14:15): The Leader of the National Party has asked a question based on an entirely false premise. The assertion he is putting to this parliament is wrong. Let me repeat the words of the managing director of Alcoa. I would say to the Leader of the Opposition that if he wants to make these sorts of distorting claims then I hope he has the integrity to ring up the managing director of Alcoa and say that he is accusing the managing director of Alcoa of speaking untruths. The managing director of Alcoa has said, as I quoted in answer to my last question, that the current situation has not been brought about by the upcoming carbon price but as a result of the international price on aluminium and the high Australian dollar.

The fact that the opposition has now degenerated into chatting among themselves and smiling shows just how little regard they have for the jobs of these workers. For them this is all just one big political joke. They do not care at all. It is written all over their faces, all over their smiles and their chatter to each other. They do not care about these jobs. These jobs, for them, are just a convenient political plaything as they come in here with their negativity and cheap politics. The Leader of the National Party has asked an incorrect question; it is factually wrong. In insulting these workers and the company they work for it is, in my view, morally wrong as well.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:17): My supplementary question is for the Prime Minister. Will the Prime Minister confirm that the government's own carbon tax modelling forecasts a 61 per cent reduction in aluminium production as a result of her tax?

Ms GILLARD (Lalor—Prime Minister) (14:17): The answer to the Leader of the Opposition's question is that he is wrong, as usual.

G20 Summit

Ms O'NEILL (Robertson) (14:18): My question is to the Prime Minister. Will the Prime Minister update the House on the outcomes of the G20 leaders' summit?

Ms GILLARD (Lalor—Prime Minister) (14:18): I thank the member for Robertson for her question. I know that she is interested in what happened at the G20 because she is interested in jobs and prosperity for Australian workers, including those in her own local community. Our economy is strong and one of the things very much reinforced for me, in travelling to the G20, was just how strong our economy is in an uncertain world. We can be very proud of the economy that the Australian people have built together. We can be very proud that we worked together as a government and a nation to come through the global financial crisis and ensure that our economy still has the benefit of growth and jobs.

When I was at the G20 there were two critical concerns at the table: first, the circumstances in Europe and particularly the eurozone and, second, and more generally, the uncertainty in the global economy. Though our economy is strong we are of
course not immune to events in the global economy. A stronger and more resilient global economy is in Australia's national interest.

On the question of Europe, which caused so much concern at the G20, firstly, it was agreed that there needed to be a firm and resolute commitment to growth. There has been a debate about austerity and growth as if they were polar opposites. At the G20, both in the discussion there and during the lead-up, it became clear through discussion that we need a strategy for growth and fiscal discipline in Europe. That is what we have done here in Australia and there was a firm and resolute commitment to a strategy for growth and fiscal discipline in Europe as well.

Secondly, there were commitments on greater banking integration and greater fiscal integration to address the issues that Europe, and particularly the eurozone, faces now. Before the end of this month we will see another very important meeting of European leaders to address these issues of growth, fiscal discipline and further banking and fiscal integration. In addition there were discussions at the G20 about the global economy and ensuring that the necessary steps are taken to safeguard it. The single biggest outcome was significantly increased resources for the IMF—all up, $456 billion. In our nation we can be proud of the economy that we have built together; but these discussion at the G20 matter for the global economy and consequently they matter to us. I am pleased that progress was made at the recent G20 meeting.

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:21): My question is for the Prime Minister. I refer her to page 107 of the government's carbon tax modelling which shows a 61.7 per cent decrease in aluminium production as a consequence of the carbon tax. I ask the Prime Minister: does she stand by her previous answer to my previous question?

Ms GILLARD (Lalor—Prime Minister) (14:21): It is not as a consequence of the carbon tax. Once again the Leader of the Opposition is attempting to mislead the Australian people about carbon pricing, just as he has every day, because he thinks this negativity is in his political interests. He gives not a thought to our nation or to our clean energy future; every day the only thing he is concerned about is how negative he can be today in the hope of politically profiting, and that is what motivates him to ask questions such as this one to try to mislead the Australian people.

Mr Abbott: Madam Deputy Speaker, I have been accused of misleading the parliament. I seek leave to table page 107 of the government's carbon tax modelling.

Leave not granted.

Mr Abbott: I seek leave to table this—

The DEPUTY SPEAKER (Ms AE Burke): The Leader of the Opposition will resume his seat.

Mr Abbott: Madam Deputy Speaker, on a point of order: you have been very forthright about people who claim that they are misleading the parliament when others are misleading the parliament. The Prime Minister has just baldly claimed that the Leader of the Opposition has misled the parliament when in fact she is doing the
misleading of the parliament, and it should not be allowed.

The DEPUTY SPEAKER: There are other processes and forms of the House if the Leader of the Opposition claims he has been misrepresented. They cannot be used now, at question time, but he is fully aware of how he can use them after question time if that is what he wishes.

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. With the greatest of respect, I would have thought—and I hope you will take this advice from the opposition—that, if the parliament is to work, the Prime Minister cannot make misleading statements to the parliament and accuse others of making misleading statements.

The DEPUTY SPEAKER: There is nothing within the standing orders that would allow me to ask the Prime Minister to withdraw. There are other forms of the House that the Leader of the Opposition is well aware of and that he can use at a later hour today.

Fisheries

Mr WILKIE (Denison) (14:24): My question is to the Prime Minister. Prime Minister, what on earth were regulators thinking when they gave approval for the world's second-biggest trawler, the 142 metre Margiris, to operate around Tasmania? Will you review that decision with a view to revoking it or at least put in place safeguards to protect Australia's best fisheries by ensuring that the super trawler's massive quota is broken down into smaller limits for specific areas?

Ms GILLARD (Lalor—Prime Minister) (14:25): I thank the member for Denison for his question. I know that he is seriously concerned about this matter. I can assure the member for Denison that, contrary to a report in the Daily Telegraph on 7 June, no application has been granted for the vessel he refers to. I believe that the member for Denison's concerns were probably triggered by that report or by follow-up media occasioned by that report. There has been no application to the Australian Fisheries Management Authority by the vessel which the member for Denison refers to and which is a large, mid-water-trawl factory vessel—and the member for Denison is concerned about its size. No application has been made in respect of that vessel to the relevant independent authority, the Australian Fisheries Management Authority.

I can also assure the member for Denison and the House in general that, if such an application were to be made, it would be subject to all of the normal considerations that the Australian Fisheries Management Authority goes through. These include catch limits—and the member for Denison's question refers, effectively, to catch limits. They can include requirements to have observers on the vessel who monitor fishing activities. They can also include issues about the kind of equipment used, including technology which, for example, can detect the presence of seals. So, should an application be made, each of these issues would be the subject of consideration. Other requirements can also be engaged in and considered by the relevant authority, including logbook reporting, satellite vessel-monitoring systems, mandatory reporting of any interactions with protected species and the like.

I can assure the member for Denison that what determines the size of any taking of fish is not the size of the vessel—and he has referred to a large vessel—but the constraints that are put on it by the relevant independent authority, who would work through the issues should an application be made.
Rio+20: United Nations Conference on Sustainable Development

Ms OWENS (Parramatta) (14:27): My question is to the Prime Minister. How have the outcomes of the Rio+20 Summit advanced the world's commitment to economically, socially and environmentally sustainable development?

Ms GILLARD (Lalor—Prime Minister) (14:27): I thank the member for Parramatta for her question. The member for Parramatta refers to the outcomes of the recent Rio+20 conference which I attended in Brazil. This conference brought the world together to consider sustainable development and our environment 20 years on from the Rio Earth Summit, a very remarked-upon event in the history of the world's consideration of sustainability and environmental concerns.

In the 20 years that have passed since the first Earth Summit we have become increasingly aware of environmental problems, including loss of biodiversity, loss of habitat, challenges for the world's oceans and the challenge of climate change. At the Rio+20 meeting, some progress was made. I would point particularly to two areas where Australia argued for progress, and progress was made. Firstly, there was agreement to set sustainable development goals. This is a comparable process to the setting of the Millennium Development Goals, which did have quite a slow generation but, once agreed, served to catalyse global efforts to address questions of global poverty. There has now been agreement to having sustainable development goals which will, we would hope and trust, play a comparable role in catalysing world activity to better address questions of sustainability and our environment. Secondly, there was progress made on the question of the world's oceans. The environmental challenge facing our oceans has become increasingly clear since the days of the original Earth Summit. There was consideration of work for our oceans and some modest measures were agreed. Australia, particularly being an island continent with such a long coastline, can see very clearly the effects of things like ghost nets and abandoned marine equipment that is drifting and killing fish and protected species, and that there does need to be progress on these areas.

Australia would have liked to have seen more progress made at Rio+20 than was made but global collective action is not easy to harness and organise. Some progress was made, which is important not only to our nation but to the world in general. We will continue to look to build on the Rio+20 outcomes. We have a beautiful environment we want to protect and we understand the global challenges our world faces as well.

Carbon Pricing

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:30): My question is to the Prime Minister. I refer the Prime Minister to this official 53-page outcome statement from the Rio+20 United Nations conference she attended last week. Given that the government's carbon tax is predicated on global action on climate change, on what page does the outcome statement mention any other country moving towards a carbon tax, an emissions trading scheme or putting a price on carbon?

Ms GILLARD (Lalor—Prime Minister) (14:31): The Deputy Leader of the Opposition has mistaken the purpose of the Rio+20 conference. The Deputy Leader of the Opposition is probably thinking about the climate change negotiations that last happened in Durban and will happen towards the end of this year in Doha, so she has her international processes confused.

Ms Julie Bishop interjecting—
The DEPUTY SPEAKER (Ms AE Burke): The Deputy Leader of the Opposition has asked her question.

Ms GILLARD: On the question of Australia’s carbon pricing system, the Deputy Leader of the Opposition apparently does not know or has forgotten for the moment that, in putting a price on carbon, Australia will be joining 850 million people around the world who live in nations where there is a price on carbon. We know that many nations around the world are taking steps to put a price on carbon, because they too will see their economies and their nations join the 850 million people currently covered by carbon pricing. For example, in the days I was in Mexico and then in Rio, I had the opportunity to meet with President Lee of the Republic of Korea. Korea is moving to an emissions trading scheme, to give just one example in our region, and is a very important trading partner of Australia’s and a very important strategic partner in our region. And so, around the world, whether it be in Europe or whether it be in our region of the world, we are seeing people price carbon because of the global challenge of climate change. And we are seeing people price carbon—

Ms Julie Bishop: Madam Deputy Speaker, I rise on a point of order. The question was: even in the climate change paragraphs, on what page is the carbon tax—

The DEPUTY SPEAKER: The Deputy Leader of the Opposition will resume her seat. The Prime Minister has the call.

Ms GILLARD: I was explaining that around the world people are putting a price on carbon or have put a price on carbon because it is the most efficient and least costly way of reducing carbon pollution and tackling the challenge of climate change. There was a time when the Deputy Leader of the Opposition was a crystal-clear advocate for putting a price on carbon. Clearly, she has changed her mind—I am getting some advice as to whether or not the Deputy Leader of the Opposition has truly changed her mind. Putting that to one side, whatever view the Deputy Leader of the Opposition currently holds she ought not to misrepresent to this parliament or more broadly how many people around the world live in countries with carbon pricing schemes.

Ms Julie Bishop: Madam Deputy Speaker, I rise on a point of order. Given that this 53-page document—

The DEPUTY SPEAKER: The Deputy Leader of the Opposition will come to her point of order.

Ms Julie Bishop: I am—does have a chapter on climate change, I ask that I have leave to table this document so that the Prime Minister can check that it is not meant—

The DEPUTY SPEAKER: The Deputy Leader of the Opposition will resume her seat. She has had enough time with her prop.

Mr Albanese: No.

The DEPUTY SPEAKER: Leave has not been granted.

Honourable members interjecting—

The DEPUTY SPEAKER: Relentless interjections will not be tolerated.

Economy

Mrs D’ATH (Petrie) (14:35): My question is to the Treasurer. Will the Treasurer outline for the House what the pipeline for investment projects says about the strength of our nation and of our economy?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:35): I am asked by the member for Petrie about the strength of our economy. What I can say is our economy walks tall in the world. We can all
take pride from our economic strength and pride in what a dynamic, diverse and ambitious country we have become.

We are dynamic because we, particularly on this side of the House, have put in place the long-term reforms to ensure our future prosperity and also our quality of life. We have been willing to take the long-term reforms that will make this nation a better place and that is why we on this side of the House are described as progressives—we are determined to get ahead of the game, to put in place long-term reforms. That is why those on the other side of the House are reactionaries—they are not determined to do anything to set the country up for the future.

We know that if we want a society and an economy that is prosperous and has social justice we have got to fight hard for these reforms. That is why we are putting a price on carbon pollution. It is why we are reforming mining taxation, it is why we are reforming aged care and it is why we are reforming hospital funding. We on this side of the House understand the importance of making the big reforms for the future. On that side of the House, all we have is scaremongering. Our economy continues to be among the best in the world, no matter how much those on the other side of the House try to talk it down.

We now have a $½ trillion investment pipeline in resources—up 136 per cent, or around $290 billion, since we came to office—and we continue to see announcements. Just last Friday, BHP announced US$845 million to be invested in the Illawarra. Of course, we had an investment from Rio Tinto, an additional $4.2 billion in the Pilbara. So, no matter about all of the scare campaigns, all of the talking down of our economy—none of it stacks up when you actually look at the facts.

Of course, their scare campaign is torpedoed every day by the facts. Just like Whyalla, it will not be wiped from the face of the map on 1 July and, of course, the coal industry will continue to grow and prosper. Businesses will continue to invest in mining and, of course, so too will coalition members on the other side. So when the sun comes up on Sunday, jobs will continue to grow, the economy will be safe, the environment will be safe, the family budget will be safe, and nothing will save the credibility of the opposition leader.

**Taxation**

Mr HOCKEY (North Sydney) (14:38): My question is to the Prime Minister and it refers to the Treasurer's immediate answer. Prime Minister, can you confirm this UBS research report that states that, because of the carbon tax and the mining tax, the net present value of shares is going to drop, thereby affecting the returns for millions of Australian shareholders and investors, particularly superannuants?

Ms GILLARD (Lalor—Prime Minister) (14:38): I thank the shadow Treasurer for his question. Clearly what he is putting to the parliament is not well believed by the opposition backbench, given how keen they are to keep investing in resources companies. The opposition backbench apparently pays as much attention to the economic advice from the shadow Treasurer as the rest of Australia—which is absolutely none.

The shadow Treasurer, in line with the usual negativity of the opposition, has come in here now trying to talk down the Australian economy and share prices, apparently because of the minerals resource rent tax and carbon pricing. Let's actually go through the facts. The opposition, on some days, comes into this parliament and says, 'You know, the problem with the minerals resource rent tax is it's going to be so big it will be the end of the minerals industry.' Then on other days it comes in here—
Mr Hockey: Madam Deputy Speaker, I rise on a point of order. It goes to relevance. Is the UBS market assessment of mining shares that says that share values are going to drop—

The DEPUTY SPEAKER (Ms AE Burke): The member for North Sydney will resume his seat. If the member for North Sydney had completed its relevance it would have been better.

Mr Albanese: Madam Deputy Speaker, on the point of order, under the standing orders relating to disruptive conduct, each and every question by those opposite is followed by a rehearsed point of order from those opposite. It is disruptive conduct and it should be actioned upon.

The DEPUTY SPEAKER: The Leader of the House will resume his seat. If you look up standing order 65, as I have asked many to do on numerous occasions, you might find there are some handy hints for question time for us all.

Ms GILLARD: I am asked about prospects for the mining industry with the minerals resource rent tax and I am addressing that. On prospects for the mining industry with the minerals resource rent tax, I was pointing out the contradiction that some days the opposition say it is too big and it will break the industry; on other days they say that it will not generate enough money. The fact that they make both of those criticisms tells you something: that they are just casting around for any reason to try and attack the minerals resource rent tax.

The reason for the minerals resource rent tax is that at this time of our nation's history, with a huge resources boom, with more than $500 billion of projects in the pipeline, it is the right time for there to be some sharing of the wealth with other Australians. We support that and we are determined that Australians see their fair share of the mining boom rather than have it channelled into the pockets of a few, which is the position of the opposition. On carbon pricing, which the shadow Treasurer raises as well, the shadow Treasurer well knows that with carbon pricing we will continue to see economic growth, we will continue to see growth in jobs and we will see our nation address carbon pollution at the lowest possible price.

I know that the shadow Treasurer has had difficulties with these issues in the past—that he has been reduced to tweeting out, begging people to tell him what he should think about important public policy concerns. Well, to the shadow Treasurer who has that inability to analyse public policy issues, let me be crystal clear with him. We are determined to see carbon pollution cut, we are determined to see our nation seize a clean energy future, we are determined to see a growing economy with more jobs, and we are determined to help households with tax cuts, family payment increases and pension increases as well. The shadow Treasurer is determined to mislead and be negative. (Time expired)

Mr Hockey: I seek leave to table the UBS report titled Taxing times, which identifies the loss of share values.

The DEPUTY SPEAKER: The member for North Sydney will resume his seat. Opposition members interjecting—

The DEPUTY SPEAKER: The member for North Sydney was asked to his resume his seat. Many of you are ignoring that request. It does actually hold up the parliament. Is leave granted?

Mr Albanese: To coin the Leader of the Opposition's favourite phrase: no. Leave not granted.

Carbon Pricing

Mr STEPHEN JONES (Throsby) (14:43): My question is to the Minister for Climate Change and Energy Efficiency and
Minister for Industry and Innovation. Minister, with the carbon price due to start in six days time, what are the future investment prospects for the coal industry, particularly in the Illawarra region, and how does this demonstrate that resource companies' investment decisions are being guided by facts not fear?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:44): I thank the member for Throsby for his question, because the coal industry is extremely important to regions that he represents in the Illawarra and also to the region that I represent in the Hunter. There has been a range of forecasts about the future of the coal industry in recent months, all of them overwhelmingly positive, but there is one that has been incredibly negative, and that is from the Leader of the Opposition. We know about his economic forecasting! He has predicted from 1 July, next Sunday, the death of the coal industry. The death of the coal industry—the end of it. In the Illawarra, coalmining has gone; in the Hunter, it has gone. That is what he has predicted. But the closer we get to the introduction of a carbon price from Sunday and the more facts that come out, the more utterly ridiculous, hypocritical and misleading the Leader of the Opposition's comments have been.

Just take the Illawarra: last Friday, BHP Billiton approved an $833 million investment in Illawarra coal. The carbon price starts in less than a week, the Leader of the Opposition has forecast the death of the industry, and here is BHP Billiton announcing an $833 million investment commitment. In fact, it is the largest capital investment that BHP Billiton has ever made in its Illawarra coal subsidiary. The new mine will support the ongoing employment of 500 workers currently employed at the West Cliff mine and generate 300 new construction jobs. With my background I have some familiarity with the industry. The coal seams in the Illawarra are relatively methane intensive and will attract a carbon price liability. Nonetheless, notwithstanding the forecasts of doom, $833 million has been committed in Illawarra coal, just days before the introduction of the carbon price.

On the one hand, we have got the death of the industry being forecast by the Leader of the Opposition, who will be held to account for this by workers in the coal industry—they will hold him to account for what he has predicted and the insecurity that he has engendered—but on the other hand, we have got BHP Billiton and $833 million on the table. Just as the Leader of the Opposition was misrepresenting the position with Alcoa earlier in question time, so he has misrepresented systematically the circumstances in the coal industry. In fact, there has been an upward revision from $96 billion to $107 billion in the investment pipeline in coal and it has a strong future.

Mr STEPHEN JONES (Throsby) (14:47): I have a supplementary question, Minister, you have spoken about the impact of the carbon price on the $833 million investment by BHP in my region. Will you inform the House of what assistance families in my electorate, and other electorates around mine, will have as part of the carbon price?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:47): I thank the member for Throsby for the question because the fact of the matter is that the carbon price will have only a modest impact on the cost of living—that is, 0.7 per cent increase in the CPI—less than one cent in the dollar.
The government is assisting pensioners, it is assisting families eligible for tax benefits, it is assisting many self-funded retirees and it is assisting many veterans and others in receipt of Commonwealth payments. In the Illawarra region, more than 20,000 families have already received extra cash in their bank accounts over the past month. More than 53,000 Illawarra pensioners have received $250, if they are single, or $380 for couples combined—that is 53,000 pensioners who have received an advance payment already. And 4,300 students have received up to $190. That is very important in the Illawarra with the University of Wollongong and the many students there. But over on that side, the Leader of the Opposition has opposed all of those things. He has opposed it all and he continues to go out into the community and claim that these are not permanent increases and that they are not indexed. It is completely misleading. It is a complete untruth. It is totally wrong. Regular payments are going to be increased, they will be indexed in the future, and a lot of the assistance is being delivered by tax cuts. (Time expired)

Mr Hockey: Further to that answer, I seek leave to table a report that identifies that the carbon and mining taxes reduce BHP's earnings by three to four per cent per annum and net present value by three per cent per annum—

The DEPUTY SPEAKER (Ms AE Burke): The member for North Sydney will resume his seat. Is leave granted to table the report?

Mr Albanese: To again quote the Leader of the Opposition: no!

Carbon Pricing

Mr VAN MANEN (Forde) (14:49): My question is to the Prime Minister. I remind the Prime Minister that Teys Australia in my electorate, which employs 800 workers, plans to shut down its Beenleigh abattoir for several weeks to avoid going over the 25,000 tonne carbon tax threshold. How will these workers and their families be supported by the government while the factory shuts down to avoid her carbon tax?

Ms GILLARD (Lalor—Prime Minister) (14:50): To the member who raises the question: if the member wants to directly discuss the issue, then of course I am open to discussing with him issues in his electorate. I am making the assumption he is genuinely raising the issue in the parliament and wants to discuss it with the government.

Can I say to the member and to the parliament more broadly: with carbon pricing, we have seen in this parliament many, many claims made which, on investigation, do not turn out to be true. Indeed, in the course of this question time, from the Leader of the Opposition and from the shadow Treasurer, we have seen a continuation of the kinds of misrepresentations which have characterised this debate. The opposition has been so negative that it has predicted a permanent depression. It has been so negative that it has predicted the death of the coal industry. It has been so negative that it has said that this will be a wrecking ball through the economy, that the increases in the price—

Mr Van Manen: Madam Deputy Speaker, I rise on a point of order on relevance. I have asked about the abattoir in Beenleigh, not about the coal industry. It is about the effect of the carbon tax.

The DEPUTY SPEAKER (Ms AE Burke): I ask the Prime Minister to return to the question before the chair.

Ms GILLARD: My simple point is that we have, particularly from the opposition's frontbench, time after time, misleading claims made about carbon pricing. For the member who raises this question I will make
the assumption he is raising genuinely and I am more than happy to speak to him directly about it.

Carbon Pricing

Mr MURPHY (Reid) (14:52): My question is to the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform. Minister, will you update the House on how the government is helping families and pensioners with everyday expenses? Are there any challenges to delivering this support?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:52): I thank the member for Reid very much for his question. I can inform the House that this government is continuing to act to help families and pensioners with their everyday expenses. As of today, more than 6½ million initial payments have been made before the price on pollution starts on 1 July, so 6½ million families and pensioners have already received their assistance. This is going to help with their expenses like their groceries or their electricity bills that are coming both now and in coming months.

I can also let the House know that from today more than 280,000 self-funded retirees who are on a Commonwealth seniors health card will be receiving $250 if they are single self-funded retirees or $380 for couples combined. The one thing that Australians are very good at is judging whether or not what they hear is true. What they are going to know after 1 July is that the doom and gloom that this Leader of the Opposition has been spreading is patently untrue. They will be able to judge the truth for themselves. Already we are receiving correspondence from pensioners who are saying to us how pleased they are that the money is certainly going to assist them with their winter power bills. As the Minister for Climate Change and Energy Efficiency mentioned a minute ago, pensioners do understand that the assistance they are receiving is permanent, that it is ongoing. But, of course, it is only permanent and ongoing if the government stays in power, not if people over there get the chance because we know that this Leader of the Opposition is only plotting to figure out how he is going to claw this money back. (Time expired)

Mr MURPHY (Reid) (14:55): I have a supplementary question to the minister on the help the government is giving to pensioners and families for everyday expenses: what does this mean for my electorate of Reid and others in Western Sydney?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:56): I thank the member for Reid for his question and particularly for all the work that he does for the pensioners in his electorate. I can let him know that 18,700 pensioners in the electorate of Reid have already received their initial payment. In the neighbouring electorate of Parramatta, more than 22,000 pensioners have received a payment. Even in Bennelong...
another 18,000 pensioners have received this money. I hope the member for Bennelong is telling each and every one of those 18,000 pensioners that he will be clawing that money back off them if he ever gets the chance.

Starting today in Reid more than 2,000 self-funded retirees on a Commonwealth seniors health card will receive a helping hand. I reiterate to the member for Reid and to everybody on this side of the House that pensioners and self-funded retirees on a Commonwealth seniors health card can be assured that this money is ongoing. Of course, the falsehoods peddled by those opposite are exactly that. We know that the Liberals are all about helping themselves. Barry O'Farrell is there in Reid, in Parramatta, in Bennelong making sure that those pensioners that are in public housing pay increased public housing rents. His whole idea is to line his own pockets just like all of those opposite.

(Time expired)

Electricity Prices

Mr HUNT (Flinders) (14:57): My question is to the Prime Minister. I refer to this letter from Global Switch—which runs a data centre for leading Australian companies—to its customers, dated 14 May 2012. The letter confirms that the electricity rate will rise from 14.8c per kilowatt hour to 19.4c from 1 July 2012, a rise of 31 per cent. Will the Prime Minister now admit that many small businesses using off-peak tariffs will face electricity increases after 1 July far in excess of the 10 per cent she promised?

Mr Laming interjecting—

The DEPUTY SPEAKER: The member for Tangney may be out very soon too.

Ms GILLARD: So, in those circumstances, the assistance that is being provided is going to assist households in the way that the government predicted—that is, we will see an average increase in electricity for households of $3.30 a week and an average assistance of $10.10 a week.

Mr Hunt: Madam Deputy Speaker, I rise on a point of order on relevance. The question was about the impact on small businesses and the fact that many would receive increases far in excess of 10 per cent.

Mr Laming interjecting—

Ms GILLARD: Thank you very much, Deputy Speaker. The member for Flinders raises with me the question of electricity prices more broadly.

Opposition members interjecting—

Ms GILLARD: I am answering the member for Flinders's question more broadly than households, which I have just described. Of course in modelling the impact for households, which will be less than a cent in a dollar, the flowthrough impacts from businesses were modelled into that cost-of-living rise, and households will see tax cuts,
family payment increases and pension increases. I would also say to the member for Flinders, as he well knows, putting a price on carbon is the most efficient and effective way of reducing carbon pollution.

Mr Pyne: On a point of order, Madam Deputy Speaker, the Prime Minister is defying your very clear ruling that she answer the question she was asked about small businesses, not about households. I ask you to draw her back to the question.

The DEPUTY SPEAKER: Order! The Prime Minister has the call.

Ms Gillard: I was simply pointing out that whether one is talking about carbon pricing and small businesses, large businesses, households or anyone in the Australian nation, if you are going to address carbon pollution you need to work out the cheapest and most effective way of doing it. I agree with the member for Flinders when he says that perhaps the most important domestic policy decision was the decision of the Howard government that Australia would implement a national carbon trading system. He then went on to urge the government to take up that proposal for putting a price on carbon. Given his words then endorsing carbon pricing, I am a little surprised to get his question today.

MOTIONS
Prime Minister

Mr Abbott (Warringah—Leader of the Opposition) (15:02): by leave—I move:

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

That this House calls on the Prime Minister to:

(1) immediately explain why she removed Kevin Rudd saying that his government had lost its way on border protection, climate change and the mining tax when now, two years on, the boats keep coming, there’s a carbon tax starting on Sunday and we have a $3.3 billion hole in the Budget because of a botched mining tax; and

(2) tell the Australian people when she now expects her Government finally to find its way.

Opposition members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Herbert! The member for Berowra! You are all eating into the Leader of the Opposition’s time. The Leader of the Opposition has the call.

Mr Abbott: Yesterday was this Prime Minister’s second anniversary in office. It was the anniversary no-one wanted to mention yesterday, let alone celebrate, because we all know that the faceless men of the Labor Party moved against the member for Griffith, the former Prime Minister, Mr Rudd, when Labor’s primary vote was 35 per cent and it was actually ahead in the two-party preferred vote. So it is no wonder that the Prime Minister has now gone to take refuge, seeking asylum in the chief whip’s office, pleading with him not to do to her what he and others earlier did to the member for Griffith, the former Prime Minister.

Mr Perrett: Madam Deputy Speaker, on a point of order: we have just had a motion at the start of question time about asylum seekers, and to use that term in this debate is totally inappropriate.

The DEPUTY SPEAKER: Order! The member for Moreton will resume his seat. The Leader of the Opposition needs to be relevant to the question, and what he has proven today is that he will say anything and do anything for political power.

The DEPUTY SPEAKER: Order! The Treasurer will resume his seat. The Leader of the Opposition has the call and will refer to the motion before the chair.

Mr Abbott: Madam Deputy Speaker, standing orders should be suspended because
this is the second anniversary of the Gillard government and this Prime Minister should face the parliament and explain her manifest failures—her failures to be competent, her failures to be trustworthy, her failure to be honest and open with the Australian people.

Mr Champion interjecting—

The DEPUTY SPEAKER: Order, the member for Wakefield!

Mr ABBOTT: Standing orders must be suspended because you would think any Prime Minister who was at all proud of her record would at least put out a glossy brochure to celebrate the second anniversary. It is not as if this is a government which is not spending a lot of money on self-promotion.

Mr Swan: Madam Deputy Speaker, on a point of order: yes, he should come back to why standing orders should be suspended. That is what he should do.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! The Leader of the Opposition has the call and will refer to the motion before the chair.

Mr ABBOTT: Madam Deputy Speaker, standing orders should be suspended because, I tell you what, the Sussex Street squad are not just coming for the Prime Minister, they are coming for the Deputy Prime Minister too. We all know the minister for workplace relations wants to be the Treasurer in the government of the member for Griffith. That is why standing orders should be suspended.

This is a Prime Minister who consistently runs away from facing up to this parliament, who consistently runs away from giving an account of her stewardship to the Australian people, and you would think that after two long years of failure the least she would try to do is come into this parliament and give an explanation of what has happened in this time. Two years ago she said that a good government had lost its way. That is what the Prime Minister said, and standing orders should be suspended so she can explain exactly what she meant by that. We know that when the Prime Minister said a good government had lost its way she did not actually believe that; because, just a few months ago, when she was again challenged by the member for Griffith, she said that it was not a good government, it was an absolutely shambolic government and it was completely paralysed by the ineptitude and the incompetence of the member for Griffith. But she did pledge that she would provide a better government and that she would give us a better way on border protection, a better way on climate change policy, a better way on the mining tax.

But, as the people of Australia well know—and this is why standing orders should be suspended—the government has just got worse and worse. This is a bad government getting worse, and every day its failures become more apparent. It is a government which is incompetent and untrustworthy. It has got the Midas touch in reverse. The only thing that this government is good at is savagery against anyone who dares to stand up against it, and that is why standing orders should be suspended. We only have to look at what the current Deputy Prime Minister said about the member for Griffith, and this is why standing orders should be suspended: so that the Prime Minister can explain herself. Why did she put the Deputy Prime Minister up to say that the member for Griffith has no Labor values and never had any? Why did she put up the member for Bendigo to go out there and carpet-bomb the reputation of the former Labor Prime Minister of this country, calling him a psychopath with an ego problem? And what does it say—and this is why standing orders should be suspended—about this
Prime Minister and about these ministers at the table that 31 members of caucus were prepared to back a ‘psychopath’ against the current incumbent Prime Minister?

The DEPUTY SPEAKER: Order! The Leader of the Opposition will—

Mr ABBOTT: Madam Deputy Speaker, standing orders should be suspended because six days before the last election, this Prime Minister stood up and said, hand on heart, to the Australian people: ‘There will be no carbon tax under the government I lead,’ and she needs to give an explanation. Why did she mislead the Australian public six days before the last election? Why did she mislead the Australian public to win votes? Why, having scrambled back into the Lodge, did she do the exact opposite of what she had promised before the last election the Australian public that she would do? This is a Prime Minister who simply cannot be trusted, and standing orders should be suspended so that this Prime Minister can give an explanation of why now she will not even mention the carbon tax. It is like the anniversary that dare not speak its name.

This is a rotten Prime Minister leading a rotten government. This is why standing orders ought to be suspended. We know that the faceless men are about to change the leader of the Labor Party but they cannot change the government; only the Australian people can do that, and, boy, are they waiting for that day! (Time expired)

The DEPUTY SPEAKER: Is the motion seconded?

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (15:12): I second the motion. It is important that standing orders are suspended to provide the Prime Minister with an opportunity to explain why the government has failed to find its way under her stewardship. The Leader of the Opposition is right: there was a time when Labor celebrated the anniversaries of their dear leaders. They would set out their glorious achievements in 75-page documents no less. I have one here. Remember the days of the Rudd government? On their anniversaries they would put out a one-year progress report and they would send out full-colour glossies on their achievements. But now here we are, two years on from Kevin’s fundamental injustice day, 24 June 2010, and there has not been a peep on the glorious achievements of the Gillard government. Now why would this be? That is why...
standing orders must be suspended, because the Gillard government would be lucky to put out a half-pager—

The DEPUTY SPEAKER (Ms AE Burke): Order! The Deputy Leader of the Opposition has used her prop.

Ms JULIE BISHOP: We remember the Prime Minister's infamous speech on the day after the betrayal of the member for Griffith on that dark and stormy night two years ago. The Prime Minister declared that under the member for Griffith the government had lost its way. Standing orders must be suspended to provide the Prime Minister with the opportunity to explain why she has failed to find her way—or indeed any way—on the three issues she nominated as her highest priorities: border protection, climate change and the mining tax. This Prime Minister's version of finding her way is like a dodgy taxi driver taking unwitting passengers on a mystery tour as the cost of the trip goes up and up and up, and it is the Australian taxpayers who are going to be paying the exorbitant fare. As the fare goes through the roof, it is the Australian taxpayers who will pay. Standing orders must be suspended so that we can look at the issue of border protection. This is one of the great policy failures of this generation. The Prime Minister first announced her East Timor solution, denied she had announced East Timor, and recommitted to East Timor, all within the space of just three days. As respected political commentator Laurie Oakes said at the time, her performance was:

… silly and slippery and slimy and shifty in all that and it's a very, very bad start to her prime ministerial career.

Standing orders must be suspended to provide the Prime Minister with an opportunity to explain why she has failed to find her way on border protection, because after that 'silly and slippery and slimy and shifty' start the Prime Minister has gone from bad to worse. The High Court has ruled her Malaysia solution illegal, yet she continues to hold it up as one of her finest policy initiatives. She still has not convinced her coalition partner, the Greens, to back her policy.

Standing orders must be suspended so that we can debate the Prime Minister's more novel approach to finding her way on climate change, with her announcement, first, of a citizen's assembly. I remind members that in her speech announcing that policy the Prime Minister said:

… I will not rush headlong into economy-wide changes that people are not familiar with …

She went on:

I will honour my commitment to building a consensus that is informed by the facts, tested by robust debate and concluded through common sense and open-mindedness.

Therefore, we will have a citizen's assembly! Then, just days before the election came the next step on her pathway, with the infamous statement:

There will be no carbon tax under a government I lead.

Does anyone believe that she would be prime minister today if six days before the last election she had stood up and said, 'There will be a carbon tax under a government I lead'?

The Deputy Prime Minister is sitting at the table. He said that the suggestion of Labor introducing a carbon tax was an 'hysterical allegation'. Who is looking hysterical now? It is important to remember that these comments were in direct response to the Leader of the Opposition, who said repeatedly that, 'as night follows day', there would be a carbon tax under this government.

Standing orders must be suspended because there is a mining tax which is already under challenge in the High Court
and which has increasingly rubbery foundations. It is a tax with highly doubtful revenue streams, while the government's anticipated revenues have already been spent by the Prime Minister. As the UBS report finds, this mining tax is already dodgy. The figures are already dodgy, and as a result of the mismatch between the tax revenue that the tax is going to come up with and the spending, the government is going to raise the tax or bring it in under other— (Time expired)

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:17): Who said this?
The world view of this ugly conservatism is distinguished by complete absence of optimism, total lack of generosity of spirit and denial that politics all involves ... give as well as take.

The triumph of fear over hope is palpable.
That was the Leader of the Opposition in an article in 1998 about the One Nation Party. In that article he opposed the politics of fear over the politics of hope, and he opposed the politics of fear over the politics of fact.

Since then we have seen an opposition leader desperate because of his loss. We know that from his own words. The same person who wants to claw back the payments to families, who wants to claw back the education funding, who wants to claw back the assistance to pensioners, veterans, students and the elderly had this to say about losing power:

We all need grief counselling ... It's like a bereavement. Not as bad as losing a child or a spouse but up there with losing a parent. It's very hard.

That is what the Leader of the Opposition had to say about going into opposition. No wonder we say that the quote from Johnson about Goldwater fits: 'In your guts you know he's nuts.' No wonder we say this.

Ms Julie Bishop: Madam Deputy Speaker, on a point of order on relevance. Mr Albanese, you can sit down.

The DEPUTY SPEAKER (Ms AE Burke): The Leader of the House will resume his seat. The Deputy Leader of the Opposition has the call and will be held in silence.

Ms Julie Bishop: I was making the point that in his words to date the member has not yet addressed the motion. Given that this is a matter where standing orders should be suspended to debate the motion, I ask him to come back to the motion.

The DEPUTY SPEAKER: I ask the Leader of the House to address the motion before the chair.

Mr ALBANESE: Here we see personified why we should not be suspending standing orders: this is all about their dummy spit. This is all about those opposite and their failure to acknowledge the fact that they lost the election in 2010. That is why they have come in here and moved suspensions of standing orders on 61 separate occasions. They say it is very effective but they run away from it just like they ran away from the parliament. This Leader of the Opposition is the only member of parliament to ever try to run out of parliament when a division was called. Everyone else tries to get in; he tried to get out, but he was beaten by the gazelle over here.

Mr Pyne interjecting—

The DEPUTY SPEAKER: The member for Sturt is not being relevant.

Mr ALBANESE: We should not suspend standing orders because we should not give in to the indulgence of those opposite. It is not our fault that they do not sit on this side of the chamber. It is not our fault that every day they move a suspension
of standing orders for the sole purpose that, during the division, they can sit on the government benches for just a few minutes. That is the only possible explanation. What we see from those opposite is that they are not conservatives; they are wreckers; they are extremists; they are reactionaries; and they are desperate as it comes to July 1.

As it comes to July 1 those opposite know that all of their fear campaigns that Whyalla will disappear off the map, and all the other fears—and we heard it again in the suspension motion. The Leader of the Opposition said today: 'We will see the death of the coal industry'—at a time when we know there is half a trillion dollars of investment in the resources sector pipeline.

We should not suspend standing orders because I predict I might have got the next question. If I did, I might have been asked about the Regional Infrastructure Fund and what people have to say about that. Those on this side of the House have supported the minerals resource rent tax because we support the support for superannuation and the support for regional infrastructure. This is what the Leader of the National Party had to say a year ago:

I share the disappointment about how few mining companies contribute to the areas they invade and how little state governments return of the massive royalty incomes they receive to the communities.

That is what he had to say. I thought that might have been an aberration—it might have just been a mistake—because the Nats do make mistakes, but just this month in the *Mudgee Guardian* he said that mining companies:

... could not expect to take away a region’s resources without leaving something for the community.

That is what he had to say, and then he went on to say:

... mines had a responsibility to contribute to the specific infrastructure provided to meet their needs.

When they are out there in their communities, they say, 'We want regional infrastructure; we need regional infrastructure; we should do something about it.' It is just like when they go around and say they have the exactly same target that we do on climate change; the difference is this: we are using a market to get there by introducing an emissions trading system with a fixed price. Those opposite want to get there the same way, but not only are they climate sceptics; they are market sceptics as well. They want to do it through the old Soviet command style economy of this Leader of the Opposition.

The fact is that they say no to everything in this parliament, except yes to Work Choices, yes to clawing back tax cuts and pension rises, yes to ripping the NBN out of the ground, yes to taking billions away from public hospitals and yes to slashing the education budget. But we know they want to avoid discussion. We know that the Leader of the Opposition has been missing a bit on the last couple of weekends—he has been doing no doorstops.

**The DEPUTY SPEAKER:** Order! The Leader of the House will return to the issue before the chair.

**Mr ALBANESE:** If we did not have a motion to suspend standing orders before us, we might ask why it is that they run away from the parliament and from debate. We know that there is a real concern from those opposite when it comes to accountability. It is probably why they have just suspended standing orders to avoid question time. They do not like questions. They will not answer any questions about what their involvement was in the James Ashby affair—not the member for Sturt; he runs from that.
Mr ALBANESE: We think it is a fair deal: one of us versus two of them. I conclude my comments on this, the great words of Robert Menzies:
… on far too many questions we have found our role to be simply that of the man who says "No."
… … …
There is no room in Australia for a party of reaction. There is no useful place for a policy of negation.
That is why increasingly, from Sunday, 1 July—

The DEPUTY SPEAKER (Ms AE Burke): The time for the debate has expired. The question is that the motion be agreed to.

The House divided. [15:32]
(The Deputy Speaker—Ms AE Burke
Ayes ...................... 70
Noes ...................... 73
Majority.................. 3

AYES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Crook, AJ
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dowd, KD
Prentice, J
Randall, DJ
Robert, SR

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JJ
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O'Dwyer, KM
Pyne, CM
Robb, AJ
Roy, WB
### AYES

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### NOES

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Question negatived

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

### PERSONAL EXPLANATIONS

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:36): Madam Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the honourable member claim to have been misrepresented?

**Mr SWAN:** Yes.

The DEPUTY SPEAKER: Please proceed.

Mr SWAN: Steve Lewis ran a story in today's News Limited newspapers, including on the front page of the Daily Telegraph. As was said earlier, this story asserted that as a result of budget cuts school kids visiting Parliament House would be deprived of bottled water and fruit snacks. The story went on to say that I was responsible for this decision. As you have made clear, and it has been made clear by the parliament, no decision was ever taken to cut the program. Mr Lewis would have known this had he checked with the department, as he was advised to do so by Senator Wong's office yesterday. He did not contact my office.

Given how these newspapers have misled their readers, I have called on the papers which published the story to publish a correction of equal prominence tomorrow morning, which, for the Daily Telegraph, means page 1.

Embarrassingly for the shadow Treasurer, the opposition was informed of the department's decision on Friday and yet we had the shadow Treasurer in today's story calling the program cuts 'pathetic'. This is
flat out dishonesty from the shadow Treasurer, criticising the program for a cut while knowing full well that it had not been touched.

The DEPUTY SPEAKER: Order! The Treasurer needs to show where he has been misrepresented.

QUESTIONS TO THE SPEAKER
School Visits to Parliament House

Mr HOCKEY (North Sydney) (15:37): Will you consult with the Clerk of the House and identify (1) whether the cuts that the Treasurer just referred to in relation to the School Visitation Program were contemplated by the appropriations committee of the parliament?

Mr Albanese: Stop digging!

Mr HOCKEY: Will you shut up!

The DEPUTY SPEAKER (Ms AE Burke): Order! The Leader of the House! The member for North Sydney has the right to ask a question and be heard in silence. The member for North Sydney has the call.

Mr HOCKEY: Hear, hear! Question No. 2: was the draft memorandum or a memorandum along the lines that were tabled—and I seek leave to table the document ‘Office of the Clerk of the House to all members, Department of the House of Representatives: Budget Outlook’—distributed to members? No. 3: how many people received a further email from the Clerk of the House on Friday, and did it identify that the cuts to the hospitality program were actually under review and would continue to be reviewed?

Mr Albanese: Stop digging!

Mr HOCKEY: No. 4: I refer to the statement from the Clerk of the House today, where he says—

Mr Albanese: Point of order.

The DEPUTY SPEAKER: The Leader of the House on a point of order?

Mr HOCKEY: No, don't try and close me down! You want the truth on this; let's get it! Let's get the truth.

Mr Albanese: The Speaker has made it very clear that such an abuse would not be permitted—that questions to the Speaker with regard to—

Mr Hockey interjecting—

Mr Albanese: This is not an appropriate form of question to the Speaker at all. This is an abuse. It is an attempt to have a debate.

The DEPUTY SPEAKER: The Leader of the House will resume his seat. The Leader of the House is correct insofar as the Speaker has only allowed questions in respect of matters before the chair. This is an administrative question and because I think it is so important I am going to allow the member for North Sydney to conclude his question.

Mr HOCKEY: Madam Deputy Speaker, I raise it because it goes to your statement at the beginning of question time, which we chose to allow through so we could go through the proper format. Otherwise, I could have asked these questions at that time. So it is not out of order.

The DEPUTY SPEAKER: No, and that is why I am allowing the member for North Sydney to do it. But I would like him to come to his conclusion.

Mr HOCKEY: Question No. 4, could you seek clarification from the Clerk where he says in his statement today that the cuts to the school hospitality program will not:

... proceed at this stage with the option of stopping the provision of hospitality to visiting schoolchildren. This decision will enable the matter to be reviewed thoroughly and we will report back to the committee on it.
Meaning that the matter is not resolved. Finally, could you advise whether the Treasurer has deliberately misled the Australian people by claiming that it is entirely incorrect—

The DEPUTY SPEAKER: The member for North Sydney has overstepped the mark. He will resume his seat. The member for Oxley has indicated he has a personal explanation. The member for Oxley has the call.

PERSONAL EXPLANATIONS

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (15:41): Madam Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the honourable member claim to have been misrepresented?

Mr RIPOLL: Yes, I do.

The DEPUTY SPEAKER: Please proceed.

Mr RIPOLL: On Saturday, 23 June 2012 the *Australian Financial Review*, normally a paper focused on business matters—

Mr Hockey interjecting—

The DEPUTY SPEAKER: Order! The member for North Sydney cannot be heard. This is an important matter. The other issue has been dealt with, and I will provide an answer to the member for North Sydney at a later stage. The member for Oxley has the call.

Mr RIPOLL: The *Australian Financial Review*, normally a paper focused on business matters, published an article titled ‘Wang’s vision for Asia-Pacific’ by Patrick Durkin. The article falsely stated I had met with Mr George Wang from the APX at their Sydney offices of the exchange. This is not true as the meeting was held at the Commonwealth Parliamentary Offices in Sydney.

Further, the article claimed, without reference but made it look like it was me, that Mr Wang was advised to remove photos of himself with former Prime Minister Howard and former Prime Minister Rudd in case it might upset me. This is also completely untrue and a fabrication, as of course there are no photos of Mr Wang with any former prime ministers in the CPO.

Further the *AFR* article by Patrick Durkin claimed that photos of Mr Wang and former prime ministers should also be removed while without reference in the article—and this is completely untrue and a fabrication—along with further references about me made in the article in relation to those photos. I am seeking the *AFR* make a correction.

QUESTIONS TO THE SPEAKER

Questions in Writing

Dr SOUTHCOTT (Boothby) (15:43): Madam Deputy Speaker, under standing order 105, could you write to the Minister for Health and Ageing regarding six questions—questions in writing Nos 643, 644, 645, 646, 647 and 648—which are now more than six months overdue. Also, can you seek reasons for the delay in answering those questions.

The DEPUTY SPEAKER (Ms AE Burke) (15:43): I will put the issue to the minister in accordance with standing order 105(b).

PERSONAL EXPLANATIONS

Mr WYATT (Hasluck) (15:43): Madam Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the honourable member claim to have been misrepresented?

Mr WYATT: Yes, I do.

The DEPUTY SPEAKER: Please proceed.
Mr WYATT: I refer to a letter distributed through my electorate last Friday by Senator Glenn Sterle. He claims that if Tony Abbott and I are elected the Gateway WA project would not be funded. This is not true. A coalition government is committed to the Gateway project, and the shadow minister for infrastructure and transport made this commitment before the federal election.

The DEPUTY SPEAKER: The member for Hasluck must demonstrate where he has been misrepresented.

Mr Albanese interjecting—

The DEPUTY SPEAKER: The Leader of the House! The member for Hasluck needs to demonstrate where he has been misrepresented.

Mr WYATT: In the letter it states: 'Your local member won't be listening to you about these vital initiatives which are the Gateway roads. I encourage you to contact the member to ask him why he hasn't been fighting to see the benefits of the boom spread to the local community he is meant to represent.' And, thirdly, it says, 'Tony Abbott and Ken Wyatt voted against the mining tax and all vital infrastructure that it will provide in your local area.' That is not the case. I would suggest the senator get his facts correct.

The DEPUTY SPEAKER: The member for Hasluck will resume his seat. He has shown where he has been misrepresented.

Mr Albanese: Madam Deputy Speaker, I had the opportunity to listen to the member for Hasluck explain this issue previously in the Federation Chamber and now he seeks again to have this clarified. Can I ask the difference between doing that in a constituency statement and here as a personal explanation?

The DEPUTY SPEAKER: The member for Chifley will resume his seat. There is no limit on when people can seek to do this.

AUDITOR-GENERAL’S REPORTS
Reports Nos 47 to 50 of 2011-12

The DEPUTY SPEAKER (Ms AE Burke) (15:46): I present the Auditor-General's Audit reports Nos. 47 to 50 for 2011-12. Details of the reports will be recorded in the Votes and Proceedings. Ordered that the reports be made parliamentary papers.

DOCUMENTS
Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:46): I table the government response to the recommendations of the New South Wales Coroner following the inquest into the death of Ms Dianne Brimble.

BUSINESS
Rearrangement

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:47): by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent:

(1) the time and order of business for Tuesday, 26 June 2012 being as follows:

(a) the House shall meet at 12 noon;

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

(c) during the period from 12 noon until 2 pm if any member draws the attention of the Speaker to the state of the House, the Speaker shall announce that he will count the House at the conclusion of the discussion of a matter of public importance, if the Member then so desires; and

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

There is a range of legislation which needs to be passed either today or tomorrow to fit in with a motion—which has already been carried by the Senate—that the Senate will deal with those bills tomorrow evening. This will enable discussion to achieve the objective of the member for Groom, which I think has a lot of support in this House, that we conclude at 5 pm on Thursday. At this stage it is too early to determine whether that will occur, but with the cooperation and goodwill of those opposite—and maybe a few less suspensions of standing orders—we will be able to achieve that objective.

Question agreed to.

**COMMITTEES**

**Public Works Committee Report**


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

Ms Saffin: by leave—On behalf of the Parliamentary Standing Committee on Public Works, I present the third report of 2012, which addresses referrals made between November 2011 and March 2012. This report deals with three inquiries with a total estimated cost of $302.2 million. In each case the committee recommends the House of Representatives agree to the works proceeding.

The first inquiry examined Defence Housing Australia's proposal for the development of housing for defence families at Rasmussen in Townsville, Queensland. The key objectives of the project are to ensure that the proportion of defence families residing in private rental accommodation in the Townsville area remains under the target of 15 per cent and to maintain the housing stock in Townsville at acceptable levels. Defence Housing Australia plans to develop 1,180 residential allotments and one medium-density site in 30 stages on a site of approximately 99 hectares. Defence Housing Australia then intends to construct 401 dwellings to supply housing for defence personnel.

One of the key issues for this proposal concerns the potential for large flood events to impact on the Rasmussen site. Defence Housing Australia stated that the proposed development will be above the one-in-100-year flood event level. The committee pursued this issue, suggesting that a one-in-100-year flood may not be the worst flood event that could occur, as recent flood events around the nation have shown. In particular, my deputy on the Public Works Committee, the honourable member for Mallee, pursued this issue. The committee accepts that Defence Housing Australia is developing and building on the Rasmussen site within normal guidelines and according to advice provided by local and state government agencies regarding the potential for flooding. I move to speak to the second inquiry of this report. The Department of Regional Australia, Local Government, Arts and Sport seeks approval for a project that will increase bulk fuel storage capacity and integrate and co-locate fuel storage on Christmas Island.
Christmas Island has a high dependency on fuel to maintain essential services and operations owing to its isolated location. Diesel is used primarily in the generation of electricity; aviation fuel is essential for commercial and government aviation operations; and unleaded petrol is used for private, commercial and government vehicles. Increased activity, including sea, land and air transport components, has particularly increased demand for diesel and aviation fuel. The ability to maintain essential services and operations on the island is limited by the current capacity of the fuel storage infrastructure.

The proposal describes several measures that will increase fuel storage capacity and co-location of facilities. However, a key element in the proposal, and the key concern for the Shire of Christmas Island is the proposed location of the service station. There are four outcomes proposed for the service station, each with key advantages and disadvantages. The shire does not entirely agree with the department's proposal.

The department reassured the committee that full and open consultation would be undertaken during the detailed design phase of the project. The committee is relying on the department, which has overall responsibility for Christmas Island, to make the best-informed decision concerning the location of the service station. The committee is confident that the department, in making that decision, will do all it can to incorporate the community's views and ameliorate any negative impacts associated with the selected location.

The third inquiry in this report examined the proposed fit-out of Commonwealth parliamentary offices at 1 Bligh Street in Sydney. The Sydney CPO, currently located at 70 Phillip Street, provides office and meeting facilities for the Prime Minister, cabinet, ministers, office holders and visiting senators and members. The Department of Finance and Deregulation stated that the 70 Phillip Street premises can be described as inadequate and no longer fit for purpose, with the key areas of concern being deficiencies in security, functionality, architecture and flexibility. Refurbishment of 70 Phillip Street has not been pursued as an option as there are several fundamental issues with the building that cannot be remedied through renovation alone.

The Department of Finance and Deregulation proposes to lease three levels of the new building at 1 Bligh Street, Sydney. The department is confident that it will achieve a far better CPO facility through contemporary design, shared facilities and the intelligent use of a superior building.

The new premises will also feature dedicated media facilities, including a live broadcast link capacity, something that has not been possible at 70 Phillip Street. One of the questions that the committee asked and was seeking reassurance about was on the telephone usage and the communications also at parking level within the planned facilities.

The committee is satisfied that the Department of Finance and Deregulation has fully considered all feasible options for the establishment of new Commonwealth parliamentary offices in Sydney, and that the selected option is a practical, long-term solution that represents value for money for the Commonwealth.

I would like to thank members and senators for their work in relation to these inquiries, and the committee secretariat.

I commend the report to the House.
National Broadband Network Committee
Report

Mr OAKESHOTT (Lyne) (15:56): On behalf of the Joint Standing Committee on the National Broadband Network I present the committee’s report entitled Review of the rollout of the National Broadband Network: third report, incorporating a dissenting report, together with the minutes of proceedings and evidence received by the committee.

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

Mr OAKESHOTT: by leave—I present the third report of the Joint Committee on the National Broadband Network, that has been covering the period from 1 July to 31 December 2011 as well as other issues reported for the period from 1 January to 31 March 2012.

Over the period covered in the report, a number of significant regulatory matters have progressed. The Australian Competition and Consumer Commission considered and approved the structural separation of Telstra and accompanying draft customer migration plan, allowing for the finalisation of the Telstra agreement which involves decommissioning Telstra's copper network.

The NBN rollout has experienced an eight-month delay due largely to the time taken to complete the Telstra agreement.

The ACCC also approved the Optus agreement which will allow for decommissioning of the Optus HFC network and transfer of customers onto the NBN.

The NBN Co.’s Special Access Undertaking which sets NBN access pricing terms and conditions is being considered by the ACCC and will again be examined by the committee during its fourth review.

In this report, the committee signalled its concern about comments made by the NBN Co. that NBN rollout targets contained in the 2011-2013 corporate plan are no longer valid due to changes in the assumptions underpinning these targets. The committee found that this statement and the absence of corporate plan targets in the shareholder ministers' performance report means targets are not able to be compared between performance reports.

The NBN Co. also stated that 'if there are any future policy changes, the assumptions in the new corporate plan would have to change'. The committee considers that this statement means that any future targets are rendered unreliable as soon as there is any change to the NBN rollout environment.

The committee does not find it meaningful to be provided with data on how many premises have been passed or premises made active between periods or years without any kind of target or benchmark on which to compare this data.

And more significantly, if revised NBN rollout targets will be subject to change without warning, this will mean there is no way of gauging the progress of the NBN rollout in relation to costs expended on the public infrastructure project. The committee has recommended that the Shareholder Ministers' Report does, therefore, include key performance indicator information for targets in the business plan for homes passed, homes connected and services in operation.

The committee's interest in the contracting and procurement practices of the NBN Co. gained momentum during its third review. As the NBN Co. is not subject to the Commonwealth Procurement Guidelines, Australians have no reassurance that the procurements associated with the network rollout are cost effective and transparent. A
centralised depository as proposed in recommendation 8 would assist in countering the NBN Co.’s exemptions from a raft of transparency and accountability measures that are faced by other departments.

I commend the energy and enthusiasm of regional communities such as Coffs Harbour for seizing the opportunities and confronting the challenges that high-speed broadband will create. At the same time, the committee became aware of community concerns about the difficulty of extending the fibre footprint. NBN Co. consults with communities at the final stage of the development of network design, leaving little time for communities to develop such applications. Many individuals or businesses learn of the decision upon the NBN Co.’s announcement—a point at which a decision appears to be final and not open to further negotiation.

The committee also found there needs to be more effective community and small business engagement in the public’s education on all matters relating to the NBN. The committee remains interested in examining the points of entry for private investment in the NBN—both in the form of equity and debt funding—to ensure a maximum return on the government’s investment is secured on behalf of Australian taxpayers. This matter will therefore continue to be monitored by the committee as part of its ongoing review of the NBN rollout. I expect the fourth report will place great emphasis on that work.

The final matter considered by the committee in its report concerned Telstra workforce retraining issues associated with the NBN rollout. The government has committed to providing $100 million to Telstra under a retraining funding deed to assist it in the retraining and deployment of Telstra employees affected by these reforms to the structure of the telecommunications industry.

These training arrangements with Telstra were not fully implemented at the time of the committee finalising its report and the committee will continue its inquiry into this matter. The committee has recommended that the department publish a reporting document on annual progress under these training arrangements.

The committee is interested in the level and value of employment creation through the building and operation of the NBN, including local and regional employment. In its report, the committee recommended that NBN Co. communicate major areas of emerging training needs and workforce demand with regard to the rollout of the NBN to assist with future Australian workforce planning in this sector.

In relation to the inquiry process, the committee has again received answers to questions placed on notice at hearings too late and commented on these delays in addition to the limited information regularly received in written responses. We urge the government and NBN Co. to do better. The committee is responsible for reviewing the six-monthly rollout of the NBN and takes this responsibility seriously given the large public expenditure and time taken to enable the NBN to be completed. The committee has again recommended that internal processes for the approval of answers to questions on notice be changed so that the committee—and, by extension, the community—is given the information it has asked for by the due date.

I would like to thank all committee members for their continuing focus on these important economic and social issues. I do note a dissenting report from the member for Wentworth on behalf of the Liberal-National Party. I do flag as chair that these issues are
worthy of both consideration and response from government and the NBN Co. I also invite the member for Wentworth in future to consider making these considerations as part of the actual formal part of the committee's work.

I thank the secretariat for their ongoing good work and for the diligence that has gone into this third report. This is a very large committee of over 60 members of parliament from all political persuasions. It is a hotly contested area of policy and, therefore, I think the secretariat does a fantastic job of managing that process and getting a report before the House. I commend the report to the House.

The DEPUTY SPEAKER (Hon. BC Scott): Does the member for Lyne wish to move a motion that the House take note of the report?

Mr OAKESHOTT: I move:

That the House take note of the report.

The DEPUTY SPEAKER: In accordance with standing order 39(d), the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting and the member will have leave to continue speaking when the debate is resumed.

Report and Reference to Federation Chamber

Mr OAKESHOTT: by leave—I move:

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

Question agreed to.

Social Policy and Legal Affairs Committee

Report

Mr PERRETT (Moreton) (16:06): On behalf of the Standing Committee on Social Policy and Legal Affairs I present the committee's advisory report on the Judicial Misbehaviour and Incapacity (Parliamentary Commissions) Bill 2012 and the Courts Legislation Amendment (Judicial Complaints) Bill 2012, together with the minutes of proceedings and evidence received by the committee.

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

Mr PERRETT: by leave—I would particularly like to mention the efforts of the previous member for Denison and now President of the AAT, Duncan Kerr, in making this legislation become reality. The Courts Legislation Amendment (Judicial Complaints) Bill 2012 seeks to introduce greater transparency and accountability in the handling of complaints about judicial officers in the federal courts other than the High Court of Australia. The Judicial Misbehaviour and Incapacity (Parliamentary Commissions) Bill 2012 introduces a framework for the establishment of a parliamentary commission to investigate misbehaviour or the incapacity of a judicial officer.

It is important legislation; however, I would point out that the Standing Committee on Social Policy and Legal Affairs has had three policy inquiries, we have had 10 bills inquiries tabled, we have a foetal alcohol spectrum disorder policy inquiry underway and six more bills coming towards us. It is certainly a hardworking committee, as I am sure the member for Pearce opposite would agree. I thank the hardworking secretariat for putting up with the amount of work that is going through this committee, and I note that Rebecca and Natalya are here in the chamber.

As these bills are the subject of a concurrent inquiry by the Senate Standing Committee on Legal and Constitutional Affairs, to avoid burdening stakeholders with a request for multiple submissions on the
same bills and in light of the work we are doing, the committee decided to reference the submissions accepted and published by the Senate committee. This committee held a public hearing with the Attorney-General's Department and the Law Council of Australia to clarify matters.

This advisory report, which is the Social Policy and Legal Affairs Committee's 11th, addresses a number of issues that were raised in the submissions and at the public hearing, such as payment for legal representation, the exemption of heads of jurisdiction and High Court justices from complaints handling, and the appointment of parliamentary commission members. The committee also makes comment on some issues that caused it concern, such as the specific need for the two bills, the protection of the reputation of the judiciary and the potential for political interference.

Ultimately, however, the committee concluded that the bills achieve their objectives and do not warrant any amendments. The report contains the committee's recommendation that both of the bills be passed by this House. I actually stood to do this several months ago but was not given leave. I thank the committee for their work, particularly the Hon. Philip Ruddock, who contributed as a supplementary member for the purposes of this inquiry, and commend the report to the House.

Mrs MOYLAN (Pearce) (16:09): by leave—First, may I say that I concur with the comments that the member for Moreton has just made in thanking the secretariat for their work given the extraordinary workload that this committee has now been charged with. I also thank the father of the House, the member for Berowra, for his contribution and long experience in this place on this particular matter. As the member for Moreton said, he became a member of this committee for the duration of this inquiry.

A key element of Australia's separation of powers is an independent judiciary which enjoys a strong security of tenure. Removal of judicial officers is deliberately difficult, primarily to ensure that the decisions are not influenced by the threat of removal from office. But, as public officers, those appointed to the judiciary are expected to maintain the highest of standards. The drafters of the Constitution settled on the amorphous phraseology in section 72 that removal is by a resolution passed by both houses of parliament, on the grounds of 'proven misbehaviour or incapacity'.

Constitutional scholars have since grappled with what constitutes 'proven' and 'misbehaviour' and the process through which these should be investigated. Also, with the expansion of the federal judiciary well beyond what was first contemplated under the Constitution, there is a difficult question of how complaints against officers are to be dealt with, particularly as referring these claims, many of which are vexatious, to the federal parliament would be extremely cumbersome.

The concerns were canvassed in a wide ranging Senate inquiry by the Senate Standing Committee on Legal and Constitutional Affairs entitled Australia's Judicial System and the Role of Judges, tabled in 2009. A recommendation of that inquiry was to establish formal mechanisms dealing with complaints handling and investigation. The recommendation is the foundation of the two bills inquired into by this committee, namely, the Courts Legislation Amendment (Judicial Complaints) Bill 2012 and the Judicial Misbehaviour and Incapacity (Parliamentary Commissions) Bill 2012.
The first bill sets out an enabling framework where the principal judicial officer, such as the chief justice of the particular court, determines in-house whether a claim has initial merit. This is in line with standard procedures across government for an internal examination before deciding on any further action. A full system cannot be legislated, as this could potentially conflict with the procedures under chapter 3 of the Constitution and, if challenged, could invalidate the whole system, but the committee was satisfied that the non-legislative system enabled by this bill has enough safeguards to ensure legitimate complaints are not sidelined or stifled.

The second bill establishes a procedure for the investigation of alleged misbehaviour. Specifically, it allows for a parliamentary commission consisting of at least one former or current federal or state judge and two other officers, appointed by the Prime Minister after consultation with the Leader of the Opposition. This commission has wide ranging powers to collect evidence and hear from witnesses. The proposed system reflects similar procedures established, but later repealed, during the investigations of the former High Court judge Lionel Murphy in 1986.

Concern was raised during hearings regarding the wide ranging investigative powers of the commission, the ambiguity over the role of the commission to either 'advise or 'compile' information to present to the parliament and the potential for political interference. Further, as allegations of misbehaviour against the judiciary are extremely rare, the committee queried the need for this legislation. As in the case of Justice Murphy, ad hoc provisions could be just as useful as a standing legislative process. Regardless, the committee did not see this as enough to warrant dissent against the bill and has therefore recommended both bills be passed without amendment. I commend the advisory report to the House.

**BILLS**

**Fair Work (Registered Organisations) Amendment Bill 2012**

**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 words after "That" be omitted with a view to substituting the following words:
"the House notes with approval that, in response to public pressure, the Government has introduced this limited bill, but deplores the Government's failure to:

(1) establish an independent Registered Organisations Commission to:
   (a) enforce, and police the reporting and compliance obligations;
   (b) provide information to members of registered organisations about their rights and act as the body to receive complaints from their members;
   (c) educate registered organisations about the new obligations that apply to them; and
   (d) absorb the role of registered organisations enforcer and investigator, currently held by the General Manager of Fair Work Australia;

(2) ensure registered organisations face the same accountability and transparency measures as required of companies and their directors under the Corporations Act; and

(3) ensure registered organisations face the same penalties as companies and their directors under the Corporations Act."

Mr HARTSUYKER (Cowper) (16:14): I welcome the opportunity to speak on the Fair Work (Registered Organisations) Amendment Bill 2012. It is telling that the announcement of this legislation came just 10 days after the Leader of the Opposition
announced the coalition's better plan for accountability and transparency for registered organisations. The government incorrectly accuses the coalition of not presenting policy. Well, here we have an example of the government attempting to mimic coalition policy. But this legislation does not go far enough. It does not include the measures that the coalition believes are required for true accountability and transparency for registered organisations.

There are strict rules to ensure that companies and their directors act appropriately. The coalition believes that these same rules should apply to registered organisations and to their officers. Only then can members of registered organisations be assured that their money is being used prudently. While this bill increases the penalties for officers of registered organisations, it does not go far enough. I shall now spend some time outlining some of the differences between the reporting obligations of companies and registered organisations, as well as some of the differences between directors of companies and officers of registered organisations.

The obligations on company directors are enforced by a number of regulatory bodies including the Australian Securities and Investment Commission and, where applicable, the Australian Prudential Regulatory Authority, the Australian Stock Exchange and the Australian Competition and Consumer Commission. Australians are confident in the ability of these organisations to regulate companies and their directors. The obligations on registered organisations and their officers are enforced only by Fair Work Australia. I do not have enough time to compare all of the obligations upon company directors with all of the obligations upon officers of registered organisations; however, I will take the time to outline some of the significant variations.

Section 180 of the Corporations Act requires that a director of a corporation must exercise their powers and discharge their duties with a degree of care and diligence. There is a similar provision in section 285 of the Fair Work (Registered Organisations) Act. The penalty for a breach by a company director is up to $200,000, while the provisions for an officer of a registered organisation currently apply a penalty of $2,200. The amendments contained within this bill, if passed, will increase the penalty for officers of registered organisations to $6,600, which is still a small fraction of the penalty applied to a company director.

Section 181 of the Corporations Act compels directors to exercise their powers and discharge their duties in good faith, in the best interests of the corporation and for a proper purpose. This is reflected in the Fair Work (Registered Organisations) Act in section 286. Again, the penalty for a breach by a company director is up to $200,000, while the penalty for an officer of a registered organisation according to this bill will be $6,600.

Section 182 of the Corporations Act has the provision that a director or officer of a company must not improperly use their position to gain an advantage for themselves or someone else, or to cause detriment to the corporation, while section 287 of the Fair Work (Registered Organisations) Act contains a similar provision. The penalty for directors of companies is—you guessed it—$200,000, while the penalty as amended by this legislation for a registered organisation is a princely $6,600. A provision that a company director or an officer of a registered organisation must not use information received in their position to gain an advantage for themselves or someone else or to cause detriment to another is in both the Corporations Act at section 183, and the Fair Work (Registered Organisations) Act at
section 288. But again, we see the penalty for directors is $200,000, and the penalty in this bill as amended in relation to officers of a registered organisation is $6,600.

I trust that members are seeing a pattern developing here that, even under the provisions that this bill introduces, the penalties for directors of companies remain vastly higher than the penalties that would be imposed on an officer of a registered organisation. This pattern continues, with section 184 of the Corporations Act providing a criminal offence for directors that are reckless or intentionally dishonest and fail to exercise their powers or discharge their duties in good faith in the best interests of the corporation or for proper purpose. There is no corresponding provision in the Fair Work (Registered Organisations) Act and this bill does not introduce any. Under this bill, there are still no provisions creating criminal offences for officials of registered organisations. We have listened intently to the soap opera that has prevailed with regard to the HSU and the member for Dobell, and I stand here in stunned amazement that there has not been greater motivation to impose tougher penalties in relation to registered organisations.

In introducing this bill, the minister said:

This represents a significant increase in penalties to reflect the seriousness with which this government, and registered organisations, take compliance with workplace relations law.

For once, I agree with the minister. It does reflect the seriousness with which the government takes the sorts of breaches that this legislation deals with—it does not take it very seriously at all! It is all for slapping members of registered organisations on the wrist, whilst it is quite happy to hang directors out to dry, or to take them to the gallows or to the guillotine. If you are a member of a registered organisation you can do the HSU thing and you can misappropriate funds and you know the penalties will be light. This legislation does very little to improve that. It is nothing more than a slightly harder slap on the wrist. If a former union boss took compliance with workplace regulation seriously, he would welcome the coalition amendments which have criminal provisions for officers that are recklessly or intentionally dishonest, and which increase civil penalties in line with those applicable to company directors.

Some might think that these disproportionate penalties are appropriate when considering the large packages that some executives are reported to earn; however, these penalties also apply to mum and dad directors who might have little left after paying their employees, not just to directors of listed companies. As recent media has reported, the officers of registered organisations can also be earning substantial incomes, often many multiples of the income of the members that pay their wages. Just as directors have a duty to act prudently for the benefit of shareholders, officers of registered organisations must act prudently in the interests of their members.

This legislation sends all the wrong signals. The penalties in this legislation are a token gesture implemented by a government that is being dragged kicking and screaming to the reform process. It is nothing more than a token gesture. This legislation sends the message loud and clear that the government is not serious about dealing with the sort of unscrupulous behaviour that Fair Work Australia found was taking place at the Health Services Union. Labor is saying that it is a minor matter to defraud members and to act in a way that is contrary to the interests of members. The member for Chifley has said that union officials get paid less than company directors so the penalties should be less. This argument is absolute nonsense. These organisations control vast amounts of
funds. They control in many cases the future of the members that they represent. The employees of registered organisations have the ability to inflict widespread harm on those for whose money they are effectively the custodians. Penalties should reflect the potential magnitude of the damage caused by a union officer's illegal action, not the size of their salary. The bottom line is that the fabled 'majority of union officers' who do the right thing by their members have absolutely nothing to fear from the significantly increased penalties proposed by the coalition because, if they do the right thing, if they act in the interests of their members, they will not be paying a penalty.

There are a range of matters not addressed by this bill. The coalition is concerned that former union bosses are regulating the current union bosses. That is an interesting situation—a very cosy situation. This concern is not limited to just the coalition, as constituents have also expressed their concern about the ability of Fair Work Australia to regulate unions. This bill does not address this concern. The coalition's plan for better transparency and accountability of registered organisations would have a registered organisations commission take over the roles of ensuring registered organisations do the right thing by their members and being answerable to parliament. This would address the real concern about Fair Work Australia's ability to do this job.

We have recently seen that there is a certain amount of confusion about Fair Work Australia's ability to cooperate with police and other agencies. The bill, while expanding police cooperation powers, does not make it expressly clear that Fair Work Australia can cooperate with police. I would have thought that cooperation with police forces would be an absolutely binding obligation on Fair Work Australia, not something that requires clarification at this point in time. Given the track record of Fair Work Australia, it is important that it be absolutely clear that Fair Work Australia can cooperate with police. It is also important that Fair Work Australia be able to provide a brief of evidence to the DPP. Again, given the previous problems with this, it is important to give express powers to allow that to happen.

The coalition have been asking a number of questions. How can you take Labor seriously when the Minister for Climate Change and Energy Efficiency was the head of the ACTU and when the minister responsible for this bill, the Minister for Financial Services and Superannuation, sat on the ACTU when the member for Dobell also sat on the ACTU? A cosy little clique, indeed. How can you take Labor seriously when this happened right under Labor's nose while the member for Dobell was a member of parliament and Michael Williamson was the President of the Labor Party? How can you take Labor seriously on ensuring union bosses follow the rules when they have turned the Australian Building and Construction Commissioner into a toothless tiger? And how can you take Labor seriously when they still rely on the tainted vote of the member for Dobell?

This is a bill designed by a former union boss to regulate union bosses and it will be enforced by former union bosses. It is a weak bill that does not go far enough. Union members, many of whom are in low-paying positions, pay their dues every week in the hope that their union will represent their interests. They should not have to put up with union fat cats using their money for long lunches, outrageous salaries and purposes unrelated to union business. Only the coalition has a plan to properly regulate unions. I call on the government to take...
some real action to improve union accountability.

We have seen in relation to the HSU the most egregious waste of the funds of union members—union members who work hard and go without to contribute their union dues. These are not members being paid the sorts of salaries that union officials are getting paid. They are everyday hardworking Australians who have seen their money squandered and who have real concerns about the future of the union.

The Australian Labor Party and the union movement do not need a complex review or a detailed examination of why union membership is declining. They need look no further than the mirror to see why they have a problem. They have a problem because the unions of today have lost sight of the goal for which they were established, and that was to look after the interests of the members. When you look at this legislation that has come out of the Australian Labor Party, the puppet of the union membership, you can see that the union movement is not concerned about accountability and having an organisation that works in the best interests of the members. The union movement is interested in perpetuating the personal benefits it can bestow on itself, quite clearly. Otherwise, we would have good penalties and some real teeth in this legislation: it would put sufficient sanctions in place to ensure that union members are as accountable as company directors. We will ensure that legislation will be in place to give union members the assurance that their money is being spent wisely, which the Australian Labor Party is not giving them. No wonder Australian workers are deserting the Labor Party. They are deserting the Labor Party because they know that the Labor Party are looking after themselves, not looking after their interests.

Mr FRYDENBERG (Kooyong) (16:28): I start with an explanation: the Fair Work (Registered Organisations) Amendment Bill 2012 before the House and the amendments we will move are not anti union. It is not about shackling unions to the extent that it would affect their ability to effectively represent their members. I fully acknowledge that from the Harvester award of 1907 to the election of the first female president of the ACTU in 1995, the union movement has had, and it continues to have, a significant impact on Australia's way of life. While we may disagree with the union movement on their methods and their aims, the Liberal Party from Menzies to Howard has always recognised the role unions play and the right they have to play that role. But this bill and the amendments the coalition seek are about lifting the standards of transparency and accountability of registered organisations, of which unions are one. It is about ensuring we do not have a repeat of the scandals of the Health Services Union, where
70,000 of the lowest paid, hardest working employees from the HSU had more than $500,000 of their money misused—misused on expensive dinners, misused on holidays, misused on escorts, misused on political campaigns and political staffers, misused to the point that this money will never be seen again.

Not to mention that HSU East made millions of dollars of expenditure without necessary controls or competition. The Temby report has detailed that over four years $2.4 million was spent on the HSU credit card without sufficient guidelines and documentation, and a whopping $17 million of contracts were entered into without a proper tender process. As documented by the shadow minister for employment and workplace relations, Senator Abetz, there was: $5 million to Access Focus for what is believed to be consultancies and memorabilia; $4.9 million over three years to United Edge believed to be for IT services; and $3.4 million to Communigraphix over four years, believed to be for the union journal. And the list goes on, with the concerning revelation that some of the companies benefitting from these contracts were linked to Michael Williamson, the former President of the Australian Labor Party.

This is why we are here. This is why the coalition is taking the initiative in putting forward these amendments, to ensure that registered organisations such as unions are submitted to the same level of accountability and transparency as companies and their directors are under the Corporations Act. Under the current law, trade unions as registered organisations are subject to obligations under the Fair Work (Registered Organisations) Act 2009. These include: not using their position for personal gain, ensuring the appropriate use of members' money and acting at all times in the best interests of the members.

But the penalties for the breach of these obligations are either minor and insufficient. Under section 287 and 288 of the Fair Work Act, civil penalties for using information to the detriment of the organisation or for personal advantage could involve fines of only up to $2,200 for an individual, and no criminal provisions apply. In contrast, under section 184 of the Corporations Act, criminal offences could lead to a fine of up to $200,000 for an individual or imprisonment for up to five years. These are serious penalties for serious crimes and this is what the coalition is seeking to achieve by moving these amendments.

What is more, the coalition believes we can no longer leave it to Fair Work Australia to police and enforce these obligations. The HSU scandal has shone a light on the deficiencies of Fair Work Australia. To take more than three years to investigate the allegations around Craig Thomson and then produce a document which is not even in the required format for the Director of Public Prosecutions is completely unacceptable. It is unacceptable to the coalition and unacceptable to the Australian people. The institutional go-slow and the incompetency displayed seriously undermined any possibility of an expeditious, effective and professional handling of the HSU matter.

What we need now is a new body, which the coalition proposes calling the Registered Organisations Commission, which will police and enforce these new compliance obligations rather than leaving it to the general manager. This new commission will take responsibility for educating members of registered organisations about their rights and acting as a repository of complaints from its members. The coalition understands that one has to separate Fair Work Australia from
its day-to-day role solving disputes and making agreements, from its watchdog role ensuring proper accountability and transparency. In the words of Peter Anderson, the Australian Chamber of Commerce and Industry head:

We need to separate some of these roles so that the arbitral side, the decision making side that affects employers and affects industry is quite distinct from the traditional role that scrutinises unions and employers organisations.

How right he is.

The problem with the government's bill is that it does not go far enough. Do not take my word for it: Labor's member for Barton and the former Attorney-General in the Rudd government, Robert McClelland, said as much in his speech to the parliament last week. And if you do not want to take his word for it, read the speech of the National Secretary of the Health Services Union, Kathy Jackson, to the HR Nicholls Society just a few weeks ago, where she made a similar point, saying:

... I believe that there is a very strong case for extending, to the full extent possible and applicable, the same governance, investigation and enforcement provisions that apply to other corporations, generally those registered under the Corporations Act, to unions.

You see, the government's bill is a timid reaction to the loud public outrage and it is an inadequate response to the coalition's lead on the issue. Just look at the details. Under the government's bill the rules are still weak, the penalties are still weak and Fair Work Australia is still left to police these registered organisations, despite its failed record. Under the government's bill there is no real attempt to apply the standards of the Corporations Act to those of registered organisations. Under the government's bill there is no specific permission for Fair Work Australia to report to the parliament and explain why an investigation has taken longer than a year. Under the government's bill there is no specific provision making it clear that Fair Work Australia can cooperate with police at the start, during and at the end of the investigation. These are all deficiencies in the government's legislation which will be rectified by the coalition's amendments.

We have to understand that, despite the falling membership of unions, representing as they do only around 13 per cent of the private sector workforce and around 18 per cent of the overall workforce, unions are still big businesses. Unions are big businesses and their financials reflect as much. In an important report released by the Institute of Public Affairs, entitled Australian trade unions: an alternate regulatory approach, Olivia Graham and the irrepressible John Lloyd gave us a snapshot of some these financials. For example, in 2010 the CFMEU's construction and general branch in the Victorian division held net assets worth $42 million, including $4.5 million worth of investment properties and $25 million worth of property, plant and equipment. In 2011 the Victorian branch of the Australian Nursing Federation held $21,768 million in net assets and earned just over $6 million in net revenue. These are just some of the individual state based divisions. When one accumulates the net assets of the total union movement, it is easy to understand how unions can put together tens of millions of dollars every election for their brothers in the Labor Party. Given these large numbers, it is absolutely critical that the standards of financial transparency and accountability within the union movement are lifted.

In conclusion, we cannot afford to have another repeat of the HSU scandal. The Australian public will not stand for it, union members will not stand for it and the
coalition will not stand for it. The coalition's amendments put before the House are a step forward. They will enhance transparency, they will strengthen accountability and they will ensure that unions, which are big businesses, are subject to the same analysis, the same accountability, the same standards and the same transparency as are corporations and their directors. I recommend the amendments to the House.

Mr HAWKE (Mitchell) (16:41): I rise also to speak on the amendments to the Fair Work (Registered Organisations) Amendment Bill 2012. Once again in the chamber we find ourselves at an interesting juncture in the politics of our nation. In the past few weeks in the parliament, we have seen lateral transfers for defence families moved by the opposition and adopted by the government; and the victims of terrorism bill, a private member's bill of the Leader of the Opposition, adopted by the government.

Here, 10 days ago, we saw the Leader of the Opposition announce the coalition's better plan for accountability and transparency for registered organisations and, 10 days later, we have a bill introduced by the Minister for Education, Employment and Workplace Relations, Mr Shorten, to address just that matter. It appears that the opposition is governing with its ideas and programs. Once again we see a bill in response to something. In the act-react cycle, we seem to act and the government reacts, rather than doing what it is elected to do—that is, to address the very serious problems that we have seen with the Health Services Union and unions more broadly in Australia today.

Given that we apply such stringent rules to corporations in the Corporations Act, it is not unfair in the light of the stunning and explosive revenue elations made by Fair Work Australia in their report into the Health Services Union that we look at legislation to improve the transparency and quality of registered organisations including unions. That is exactly what the Leader of the Opposition proposed in the coalition's plan for better accountability and transparency for registered organisations. In this bill, we see the provisions lacking in a number of ways, and that is attempting to address a problem when you are not really addressing a problem. That is why we have proposed some very serious amendments. I am going to outline some of those shortly.

We believe, however, that the coalition has a better plan to make sure that the money of the members of these very serious organisations—which are now responsible for large amounts of money and investments and responsible for the lives of so many poor and other people at the bottom end of the scale—is spent responsibly and properly. We require the same thing from corporations and boards of directors. In the same way, when we see a Lehman Brothers style collapse, we say: 'That is terrible. Those people mismanaged their risk and their money, and those people should be dealt with.' In the same way, as the Health Services Union has, explosively, revealed serious problems and fraud, we ought to now apply the rule of law. That is why in our amendment we are bringing penalties in line with the Corporations Act, and seeking to bring across to the registered organisations act section 184 of the Corporations Act, which would make it a criminal offence for bosses of registered organisations to not act in good faith, to use their position dishonestly or to be reckless. I do not understand how that could be opposed by the government considering that is what governing is all about.

Applying the rule of law means extending the power we apply from government to negate behaviour, and the main mechanism with which we can negate this style of behaviour is the law. The Corporations Act
into the Fair Work (Registered Organisations) Act's section 184 would provide for that, thereby negating these acts of people in registered organisations. It is an appropriate and a fair way of addressing this matter.

Further, with regard to the government's increases to the civil penalties proposed in this bill, we are seeking to further increase those penalties in line with the Corporations Act. In this modern approach to dealing with registered organisations and unions, given the seriousness of the role that they occupy in today's society, it is appropriate that the penalties mirror those in the Corporations Act that apply to boards of directors and other office bearers in corporations. That does not appear to be controversial, but the fact that it is missing from this legislation is a big gap in the government's approach.

Other issues that we have with this bill include the fact that Fair Work Australia is still in control. The approach that Fair Work Australia has taken in recent times in these investigations highlights the need for legislation to improve the situation in how Fair Work Australia addresses matters. We feel that putting Fair Work Australia in charge without considerable increases in its ability or the provision that we would make on it from this place is a weak approach. We want Fair Work Australia to have the ability to make sure its investigations are done properly. We saw three years of failure to cooperate with police, for example, with Fair Work Australia claiming it could not produce a brief of evidence. From our amendments, and from what is missing in the government's legislation, how can we take this bill seriously when it is not proposing to give specific permission for Fair Work Australia to prepare a brief of evidence, given that this was one of the main criticisms of the approach that Fair Work Australia has taken? So in our amendments we are seeking to give Fair Work Australia the appropriate requirements to make sure it cooperates with police and that it can produce a brief of evidence.

We also want to make sure this parliament has a mechanism, if Fair Work Australia is not delivering on its obligations to investigate in a timely fashion, to prevent us from seeing a repeat of the situation where Fair Work Australia could take as long as it likes and be open to the perception or the accusation, which it was, that there was political interference. Whether there was or not is not my place to say, but the accusation and the perception could be made about Fair Work Australia because the parliament has no mechanism to ensure that it is acting in a timely fashion. Having reports to parliament at the year mark, and then every six months after that, as to how an investigation is going and what the expected progress will be would provide accountability and transparency into the future.

Once again, this is not subjective or targeted at anybody, and there is nothing for the government to really object to except proper transparency and accountability. That is what we are providing for with our amendments. I do not understand, and I would love to hear the government argue, why it would not be appropriate in future investigations to ensure that Fair Work Australia's investigations are held to a high standard and perceived to be at a high standard, and that at least confidence can be held in the operation of Fair Work Australia.

As I discussed, we propose increasing penalties for misusing members' funds, and the stories that we have seen out of the Health Services Union have shattered public confidence in that union, particularly for those very hardworking people in the health sector who do such a great job and who decide to contribute by joining a union. It
may surprise the government and others to know that I am not against people joining unions. I think, inherently, a person's right to join a union and collaborate with others to collectively bargain to improve their conditions in the workforce is an appropriate use of their time and an appropriate choice for a person to make.

In a free society, trade unions would operate effectively on behalf of their members. I think, though, it is an inherent mistake made by unions that they are affiliated with one political party in Australia—I put that out there. That mix of politics and unionism in Australia has led to a situation where every member of the Labor Party in this place is a trade union official, where vast sums of members' money from lowly paid workers end up in a political party's coffers, and where the Health Services Union is mixed up at the centre of a national political scandal. In a way, that is unedifying not only for the parliament but also for unions, workers and trade unionists. There is no accident in all of that; a series of mistakes have been made.

This bill could go much further in what it is doing to make sure that this situation is rectified in some way. I do not believe we can take the government seriously with this bill when we consider that the Minister for Climate Change and Energy Efficiency was the head of the ACTU and the minister responsible for this bill, the Minister for Employment and Workplace Relations, was in the ACTU at a similar time as many people who have been caught up in this problem. There are too many of these issues going around, and while there is nothing specific that we would level at anybody here, these amendments are designed to give strength, purpose and meaning to a real agenda to make registered organisations transparent and accountable. It is an appropriate and important use of this parliament's power and privilege to make sure that we do so when given the opportunity.

We have seen, given the scandal that has surrounded the Health Services Union—whose report is 12,000 pages, 900 of which deal with the former secretary of the Health Services Union—that there is real cause for concern about penalties. The coalition's amendment, particularly in relation to the disclosure of information to police, is something that ought to be supported by everybody here to make sure that in future, where there are allegations of serious misconduct, people have to cooperate with police and disclose information, and that people and officers at Fair Work Australia can cooperate fully with police at all stages of an investigation.

It is important that we clarify the position, that we ensure that we signal to Fair Work Australia that, like every other citizen, corporation or entity in Australia, we ask of them that they cooperate with law enforcement agencies. We do not want any obstacles in the way of that cooperation, and if there are any obstacles from this parliament we want to ensure, through an amendment, that they are removed so that every officer of Fair Work Australia can then cooperate.

We find with many of these amendments before us that are proposed by the coalition that they would provide a very fair platform for the operation of registered organisations to ensure a minimising of criminal activity and other incorrect conduct, to put it politely. That this bill is designed by a former union boss to regulate other union bosses is a valid criticism and many members have made that comment in this place. I do not think it is appropriate that former union bosses design the rules for the next generation of union bosses. That is the flaw in this legislation.
They may think this is something that will address the situation, but, when you go through it and look at how this bill came about—literally, the Leader of the Opposition proposed the coalition's plan, Minister Shorten came to this parliament and announced this legislation and now, here we are, debating it a short time later—it highlights that, really, this is a reaction rather than an action.

The government did not choose to act, despite how long this Fair Work Australia investigation has been going, how long the report has been in the public domain and how serious it is in nature. The government did not say, 'This is quite serious. We really want to act on this. We'd prefer to do something. We're not going to let the opposition get a jump on us. We're not going to propose what to do and then react to it. We're going to propose some pretty serious measures and ensure that this does not happen again.' That way, everyone would be better off. The parliament, the union movement and registered organisations in Australia would improve in quality and be more transparent.

I think we have seen the government's agenda exposed a little. That is what is important to realise here. I guess the government's agenda is not so much about fixing this problem; it is about being perceived to be doing something about it. There is a very big distinction here, because the coalition's amendment underscores, line by line, issue by issue, that if you were serious you would be much tougher. If you were serious you would give force to what you are saying. If you were serious, provision by provision, you would have much more detail and there would be many more actual powers to ensure that Fair Work Australia had to cooperate with the police and had the power to provide a brief of evidence, ensure that, if reports were taking too long, there was a mechanism for the parliament to address them and ensure, of course, that penalties applied—that the main force and power we can give to legislation, the power to penalise, was the same as in the Corporations Act and was there to be used when this sort of situation came up.

While we do not oppose the bill itself, we have proposed these amendments. They are serious, measured amendments. They are not unfair to anybody. They are to give effect to what should be a bill to improve transparency in registered organisations in Australia to ensure that this situation does not arise again without any real recourse in law to address it effectively and quickly, where Fair Work Australia took so long to do so little about something so serious. That is why we need better legislation.

The coalition are proud to have flagged our plan for the government, and we are happy to see the government react. If they do not have the ideas, we are happy to see them react our ideas. But, when you have that reaction, I think you also have to look at the people who originated the transparency and accountability plan and listen to us very carefully about the serious strengthening amendments that we are proposing to ensure that this legislation can work effectively.

Mr KATTER (Kennedy) (16:55): I applaud some of the remarks that the previous speaker made. His endorsement might be in a fair bit of trouble as a result of some of the remarks he made, but I applaud him for them. However, he started talking about unionists having a responsibility to speak up and the fact that the amendments being moved by the Liberal Party will overcome that problem. We have the situation with the building workers union where there is a right to silence enjoyed by everyone everywhere in the world. I do not know of any jurisdictions, outside of one-
party government countries, where you have no right to silence. I will not go into all the arguments about why you should have a right to silence; suffice it to say that every country in the world provides that right to silence.

I have not seen the amendments—I could be critical and say that I did not get the courtesy of receiving the amendments—so, not having seen them, all I can do is comment upon what the previous two speakers said. In the building workers union, if the police ask you a question and you refuse to answer it, they can jail you and jail you pretty well indefinitely at their discretion. We are on very dangerous ground when fundamental freedoms are taken off people. I do not want to go into all the issues around that building workers legislation. It was only under threat from the crossbenchers that the ALP moved to remove what were abominable discretionary powers that were given to these various authorities. There had not been a single problem in almost the last seven years and there was no justification. There may be justification for some oppressive legislation in the short term to fix a short-term problem, but I would think that you would never introduce that type of legislation without a sunset clause upon it. I find it very hard to envisage a situation where fundamental freedoms and rights are taken away to overcome a temporary problem that has arisen, however bad that problem might be.

Let me turn from generalities to the bill before the House, which is aimed at increasing the responsibilities upon trade union officials in the area of accountability. The unions have all agreed to it, but I suspect that a number of them have agreed to it because they are too scared to say they do not agree to it, because someone might start looking at them and thinking that they have something to hide.

I came into this place out of a terrible baptism, which was the Fitzgerald inquiry in Queensland, where we had some people at the heart of police corruption. I say with very great pride that we had the courage, with our eyes open, knowing the great dangers that we took, to try to go after that centre of corruption in the police force. Most certainly it was not Terry Lewis but, on the evidence, it would appear that he was playing a part in protecting these people.

In doing that, we unleashed a monster. Monsters have been unleashed with the Salem witch burnings and the McCarthy hearings in the United States. We can find a hundred examples: the Spanish Inquisition; the burning of books in Nazi Germany; Oliver Cromwell's regime in England. There are many examples of the psychological phenomenon of witch burning. We most certainly suffered that in Queensland, and it made me very conscious of the enormous injustices that are perpetrated—in a lot of cases, upon public officials such as politicians. The leading case is Brian Austin, a minister in Queensland who was effectively the first one to go to jail. Let everyone in this place listen to this with some fear and trembling. He was jailed because he took his government car to visit his kids who were at boarding school in Armidale. He spent three years in a cage, like an animal, because he did that.

Madam Acting Deputy Speaker Owens, you would be aware that almost every government official in Australia—and I do not just mean politicians—has a government motor car which will be used for private purposes today. Whether it is picking up the kids from school or picking up a loaf of bread on the way home, it falls within that definition. But when the old witch-hunt occurs watch out, because there is no such thing as justice here. I am just worried that the government may have acted somewhat
excessively in this area—and I most certainly would not be cheering the opposition on in their attacks here.

Turning to the issue of collective bargaining in Australia, I had the very great honour of addressing two of the trade unions' annual general meetings. I think at least one of them knew of my book on the history of Australia from 1890 to 1910. In that book was a very fine tribute to trade unionism in this country. We had a situation a hundred years ago in which one in 31 of us who went down the mines never came back up again. They died a terrible death from miner's phthisis or, worse still, in many cases they were buried alive. And this was not confined to mining. Of the 2,000 men who worked digging the sewerage ditches in Sydney—they were working down eight or nine feet deep and there was no circulation of air—every single one who worked there for more than two years died of miner's phthisis.

And if you are looking for the reasons for the formation of the Labor Party in Australia, look no further than miner's phthisis. The first Labor head of government elected anywhere in the world was in Queensland—Anderson Dawson, from my own family's hometown of Charters Towers. We were in Charters Towers before there was a Charters Towers. Anderson Dawson was the member of parliament for Charters Towers and the first Labor premier elected anywhere in the world. He left parliament because he had contracted lung disease, miner's phthisis, whilst he was mining. Andrew Fisher, the second Labor Prime Minister of this country, also had to leave politics on account of miner's phthisis, and his father also died from miner's phthisis.

The black people who were employed in the mines in South Africa, even though they were very poorly treated, had legislation protecting them from miner's phthisis—damping-down legislation. When they were using machine drills, which came in the 1890s, they needed damping-down legislation. It was given by the white people of South Africa to protect the black people who worked down in the mines. In Wales the miners were treated even worse. They had a steel collar welded around their neck with a number on it and they were not allowed to leave their place of work, by law. They were very much in a slave-like activity. Ken Follett wrote a very good novel based upon the situation in Wales.

Even though those people were treated like dogs and slaves, they still had protection for damping down. But in this country we did not. We had to form a union. One of the leaders of that very great union, the AWU, is in here today—and very proudly, I would think. The union was formed to combat and overcome, mainly by Ted Theodore when he went down the mine for the second time in his life and saw his mates die. That was his fork in the road to Damascus. He formed a union and he took over the running of Queensland within seven years. The people were so grateful for what he did for them—and I pay tribute to trade unionism in this. It was not just what that great union leader did for the workers and the employees. He took the land off the landed gentry, who to a large degree were foreign corporations, and redistributed it to Queenslanders.

Probably half of the landowners in Queensland today, if they trace it back, got their original land from the redistribution policies of the Theodore government. They gave us the land so that we Australians could make a quid. And our farmers were given statutory marketing arrangements. Our dairy farmers were not told what they would be paid. They said, 'You'll pay us this amount of money via an arbitrated price'—and similarly with the workers. When the dairy farmers lost that arbitrated price their price went
from 59c a litre the day before deregulation to 42c a litre the day after. Every member of this place should reflect upon the fact that they belong to a political party that participated in what the very famous dean of the Faculty of Economics at the University of Queensland, the most distinguished of Australia's economics faculties, Ted Colson, said in addressing a meeting. He said the three great shames of this nation were the way that we treated the men who came home from Vietnam, the way we treated the first Australians and what we did to the dairy farmers of Australia through deregulation.

Without the trade union movement we would live in a deregulated marketplace. It is easy for the speaker before last to get up and say that the unions should not give money to the ALP. If they had not, we would have a deregulated labour market in this country. To the eternal shame of the Liberal Party in Queensland, the Premier of Queensland stood up two weeks before the election and said that there will be no fly-in miners from overseas. No, what he said was, 'I'm not in favour of fly-in mining from overseas.' That was two weeks before the election. Five weeks after the election he stood up and said, 'There will be fly-in mining from overseas in Queensland.' It was a very different party before the election and after the election.

But to see a Labor government here in Canberra give the green light to flying in foreign workers from overseas! Madam Deputy Speaker, your predecessor, Mr Slipper, removed a picture of Charlie McDonald, the first member for Kennedy and my predecessor. Every speech Charlie gave in this House in his early years in the parliament was against bringing in foreign workers from overseas to undermine pay rates, to undermine safety conditions, to work for nothing and to take jobs that should have come to the local worker.

That is the contribution being made by the trade union movement. Some of them have had the courage to speak out against flying in foreign workers. In Queensland 299,000 people are registered for full-time employment but cannot get a job, with 200,000 of those unable to get a job at all. And there is Gina Rinehart telling us that she has to fly in workers from overseas. As for the assurances provided to us by the federal government, they are not worth the paper they are written on. They should be ashamed of themselves for insulting the trade union movement of Australia with such absolute rubbish like, 'We'll make sure that there is no Australian available for that position.' There would not be a member in this place that has not driven a truck around the provisions of section 457. I most certainly have. So, if you can drive around section 457, you will most certainly be able to drive it around this—

(Time expired)

Mr BUCHHOLZ (Wright) (17:11): I rise to speak on the Fair Work (Registered Organisations) Amendment Bill 2012. This bill will amend the Fair Work (Registered Organisations) Act 2009 to increase the financial and accountability obligations of registered organisations and their office holders, strengthen the investigative powers of Fair Work Australia and enhance remedies under the registered organisations act.

Let me start by highlighting that the need for greater oversight of registered organisations has come from Fair Work Australia itself. In its statement regarding investigations into the HSU, Fair Work Australia said of the Health Services Union:

The investigation reveals an organisation that abjectly failed to have adequate governance arrangements in place to protect union members' funds against misuse. Substantial funds were, in my view, spent inappropriately including on
escort services, spousal travel, and excessive travel and hospitality expenditure.

These revelations are a clear indicator that there is an urgent need to ensure that money paid by members to registered organisations is used for proper purposes. The 1,200-page report, to the disgust of the people of Australia, detailed the financial misuse and inappropriate manner in which the hard-earned money of Health Services Union members was spent by senior union officials. It is an absolute shame that an organisation that has purported for many years to represent hardworking Australians and their rights has now been exposed as having zero regard and respect for those workers.

In saying that, I do associate my comments with those of previous members who have highlighted that there are unions that do an outstanding job. In the workplace there are organisations that do represent their members and provide value. I was always of the opinion that unions could have done much more, in particular, in building the Bowen Basin and now the Galilee Basin. Unions could have done a lot more in providing far better value for their members. But that is a debate for another day.

The revelations that union members' money was spent by union officials on escort agencies, travel, restaurants and huge cash withdrawals are a disgrace to say the least. It clearly demonstrates that there is an urgent need to ensure that money paid by members to registered organisations is used responsibly, appropriately and in a transparent way.

Today's bill will amend the Fair Work (Registered Organisations) Act 2009, which sets out the statutory obligations and privileges for so-called registered organisations. These include both federally registrable employee associations—trade unions—and federally registrable employer associations, which includes employer associations and industry associations. The task of administering obligations and responsibilities imposed on registered organisations currently belongs to the General Manager of Fair Work Australia. Such obligations include ensuring that financial statements and associated reporting requirements are met. Powers include the ability to conduct inquiries, investigate registered organisations and pursue allegations of breaches.

This bill seems little more than a hasty attempt by those opposite to give the appearance that they are making an effort to resolve the many issues plaguing the oversight of registered organisations. The reality is that this bill falls well short of doing what is necessary and we in the coalition have a number of real concerns about it. The rules and requirements as a result of the changes are still significantly weaker than those expected of company directors.

I bring the House's attention to company directors. When one hears that term one automatically thinks of the corporate top end of town—the Monopoly type of corporate director. That is not necessarily the case. The company directors in my electorate are the local mechanic and the local butcher. They may be someone who has a combined household income of around $100,000 per annum and the advice that they have received from the Taxation Office is to set up a company structure for taxation benefits, rather than give $50,000 to the husband and $50,000 to the wife as is often the case. I implore the House: when you hear the term company director do not think of the Reserve Bank, do not think of those directors of the board of multinational companies; send your thoughts to the local mechanic, the local butcher and the local businessman, because
they are the people in my electorate who will ultimately be affected.

The rules and requirements as a result of the changes are still significantly weaker than those expected of a company director. While the penalties are in line with other civil penalties in the Fair Work Act, they still fall considerably short of those required under the Corporations Act. Here we have a situation where we have one set of rules under the Corporations Act for our company directors and another set of rules for our union mates. It is a juxtaposition. Why are we in this position, having this discussion? Why is this bill before the House? It was only last week in the Federation Chamber that I put up a private member's motion which sought to implement a plan that would exact the same standards of accountability and transparency from union leaders as is expected of company directors under the Corporations Act. You should have seen the Labor members of this House with union links that got up and said, 'We don't need any more transparency; we oppose the private member's motion that you put up.' There was a member who supported my motion because he was actually there and listened to it. The other members that came in were automatically opposed.

I put the private member's motion up because the unions were calling for it. The unions themselves, through the papers and their organisations, were calling for it—because there is a stench around the union movement at the moment with reference to transparency and accountability. Take, for example, the comment of the Secretary of the Australian Council of Trade Unions, David Oliver. He said:

… every union member in this country has a right to know that … their money is going to be subject to good governance and good regulation.

The National Secretary of the Australian Workers Union, Paul Howes, has said that he supports bringing unions' accountability and transparency in line with the Corporations Act. Here we have two predominant unions saying that they support stronger transparency in the organisations. Furthermore, in his opening address for the 2012 congress, Mr Oliver said that unions:

… have a significant responsibility to our members to ensure and make double sure that members’ money is only used for purposes to advance our members’ interests.

The recent Fair Work Australia report leaves those comments in question.

The bill, while expanding police cooperation powers, does not make it expressly clear that Fair Work Australia can cooperate with police. Given the track record of Fair Work Australia it is important that this is made absolutely clear. I ask the minister, when making his final comments, to clarify that point. In addition to clarifying their responsibilities to police, I would also like to have some further conversation on the brief of evidence from Fair Work Australia and its transition to the next progressive path in the event of untoward activities. Furthermore, there is express provision to allow Fair Work Australia to provide a brief of evidence to the Director of Public Prosecutions. Again, given previous problems with this, it is important to include express powers to enable this to happen. It should be noted that these provisions are frankly unnecessary but need to be supported given the circumstances.

As my colleague here in the chamber, the member for Ryan, recently asked: why has this bill come about? She asked that question in a previous speech. Why does the political wing of the union movement all of a sudden feel a stronger stance against corruption and misappropriation must be taken? Is it because it is the right and honest thing to do?
Is it a proactive step to stamp out cynicism within the union movement? Is it to finally put unions on the level legislative playing field that their corporate equivalents are on and impose the same kind of punishments for infringements when the only difference is where the money is coming from? No, it is not. The government lacks the moral fortitude to do something like that. It is simply because they were shamed and embarrassed into some reaction by the scandals and disgraces of the Health Services Union that have plagued this government. It is because they have been shamed by the strong leadership demonstrated by Tony Abbott on the issue and the strong stance that he is taking in bringing this situation to the fore.

The coalition is proposing eight amendments to improve the design of the bill and outcomes for workers. Most importantly we will create a new organisation to oversee the registered organisations. We suggest that setting up the organisation, as noted in the amendment, should be supported by the government. It is absolutely consistent with the government's position on the safe roads legislation; they appropriated $15 million to set up a tribunal to oversee so-called road fatalities and employment contracts in the transport workers' sector. So what we are asking for in our amendment has a precedent, and we would suggest that this government will and should support the amendments attached here.

The coalition will seek to remove the responsibility of the General Manager of Fair Work Australia to ensure compliance and shift to a new, separate and independent body which will be called the Registered Organisations Commission. This commission will fall under the auspices of the office of the Fair Work Ombudsman. It will be able to use the Fair Work Ombudsman's network and resources where appropriate and will ultimately report and be answerable to the parliament. The coalition's amendments include provision that, should a report be delayed, the commission must report to the parliament and inform the parliament of why there is a delay. The time that Fair Work Australia took to process recent investigations was nothing less than shambolic. We must implement changes in legislation to shift away from a place where situations like that can ever be repeated in this country.

The commission will also be responsible for educating registered organisations about the new obligations, and will be able to receive complaints from members and provide information about what they can do if there is a problem or a complaint. Just as there is a specific rule which applies to companies and board directors to ensure that they are doing the right thing, that rule should apply to registered organisations and their officers. So the coalition will move amendments to ensure that the penalties are the same as those applying to company directors and ensure that the Registered Organisations Commission has powers broadly in line with those provided to the Australian Securities and Investments Commission.

When we come into this House we often get bashed up about saying, 'No, no, no.' The reality is: 80 per cent of the legislation that goes through this place is unopposed.

Mr Tudge: It's 87 per cent, isn't it?

Mr BUCHHOLZ: I have just been corrected by the member for Aston; 87 per cent of the legislation that goes through here is unopposed. We do support good legislation, but we will be the first to oppose bad legislation. One key amendment will seek to bring across section 184 of the Corporations Act into the registered organisations act. This would make it a
criminal offence for bosses of registered organisations to not act in good faith, to use their position dishonestly or to be reckless. The coalition's amendment will seek to further increase penalties, in line with the Corporations Act. Believe it or not, the penalties for comparable offences by the officials in registered organisations are almost nonexistent. Similar obligations under sections 287 and 288 of the Fair Work (Registered Organisations) Act 2009 as to using information for personal advantage or causing detriment to an organisation are limited to civil penalties of $2,200 for an individual, and there are no criminal provisions.

In conclusion, I believe that this is a poor bill that will not deal with the substantive issues born out of Fair Work Australia's investigations. It goes without saying that the seemingly never-ending saga of Fair Work Australia's investigations into the Health Services Union has made it absolutely clear that major reform in this area is needed. However, I believe that the reform is needed in the management rather than the legislation. The assessment of the former Attorney-General, the Hon. Robert McClelland MP, in the submission by the Institute of Public Relations noting that there are areas of the bill that can be strengthened, is highly accurate. He commented:

The bill is a step in the right direction. However, its reforms are modest and do not go far enough.

Finally, without doubt this bill and the proposed coalition amendments are a sure method that will provide greater protection to Australians in the workplace. For too long, unions have escaped proper scrutiny and finally this has exploded with the investigation of the Health Services Union and the protracted investigation by Fair Work Australia. I commend this bill, and I commend the amendments—(Time expired)

Mr TUDGE (Aston) (17:26): There are only two reasons that we are here debating the bill in front of us, the Fair Work (Registered Organisations) Amendment Bill 2012. The first is the sheer stench surrounding the Craig Thomson affair. Such is the stench that it has embarrassed the government into taking some action against some of their mates in the trade union movement through this bill. More importantly, it is that the opposition put out a plan to actually tackle the problem with unregulated unions just 10 days before—the coalition's plan for better transparency and accountability of registered organisations. That is the real reason that we are here discussing this bill today: we put forward a proactive proposal to deal with some of the issues which were raised throughout the Craig Thomson affair, and Labor is now rapidly trying to catch up. They are putting this bill forward so that they can pretend that they are also taking some action.

But it is a good thing that we are taking some action, and it is a good thing that we are debating trade unions and how they are regulated, their transparency and the amount of protection which is provided them in legislation. Frankly, at the moment, there is insufficient protection for union members, there is insufficient transparency and there are insufficient penalties applying to people who have breached the legislation. And the 1,200-page report of Fair Work Australia made this point very, very clearly—it found dozens upon dozens of examples of breaches of the law by the Health Services Union. Nearly every Australian would now be aware of some of these breaches, where thousands of dollars—indeed, hundreds of thousands of dollars—was misappropriated by union officials within the Health Services Union, for cash advances, for exorbitant travel, for fine dining for the union leaders and, of course, for escort services. In addition to
this, almost $300,000 was appropriated by the Health Services Union for the election campaign of the now member for Dobell who, at the time, was the leader of the Health Services Union.

It was very clear from that 1,200-page report that the regulations and transparency were not sufficient to capture some of those issues. Is this the only union where these practices are going on? We simply do not know. We do know that, for example, in the construction union, all sorts of unlawfulness was discovered by the Cole royal commission—it found over 100 breaches of the law, on building and construction sites, by the building and construction trade union. So clearly there is a case that the regulations which govern trade unions are insufficient. There is clearly a case that that is happening. We actually have bipartisan agreements that the current laws are insufficient. I am pleased to see Minister Combet here because he also agrees with this proposition that the existing laws are insufficient to properly regulate and provide protections for trade union members today. Where we do disagree, though, is on the plan put forward to tackle this issue. We believe that this bill the minister has put forward goes some of the way but not far enough and fails to deal with all of the issues which are uncovered and documented in the 1,200-page Fair Work Australia report.

There are four key problems with this bill, which we believe need to be amended. Indeed, the coalition is putting forward amendments to deal with them. The first is that the bill before us still sees Fair Work Australia in control of investigating registered organisations. We simply believe that they are not up to the job to do that. We think that they have insufficient time and insufficient focus to do that. This was evidenced by the Fair Work Australia report into the Health Services Union. It took over three years to do the investigation. The report should have taken much less time than that. Furthermore, at the end of that 3½ years it was still not in a sufficient state for the police, the department or the Director of Public Prosecutions to be able to use it to action some of the egregious breaches which were outlined in that report.

So Fair Work Australia is not the right body to properly regulate and scrutinise registered organisations. We believe there should be a separate independent expert body which does that. Consequently, we are putting forward an amendment which would suggest that a registered organisations commission be established which would oversee registered organisations and would have the teeth to be able to properly scrutinise them and properly see that trade unions are being held accountable to their membership.

The second problem is that the bill does not expressly provide for Fair Work Australia the ability to cooperate with the police. Given the track record of Fair Work Australia, it is important that this be made absolutely clear in the bill. It must be made clear that Fair Work Australia must, in the appropriate circumstances, provide a brief of evidence to the Director of Public Prosecutions, if required. This should not be required, of course, in ordinary circumstances. In ordinary circumstances you would think that Fair Work Australia itself would actually go about doing the right thing and developing that brief of evidence to go to the Director of Public Prosecutions. But, again, the case of the Health Services Union proves that we in fact do need to make this part of legislation, because they spent 3½ years investigating this case and yet still did not provide the proper brief of evidence to the Director of Public Prosecutions. Furthermore, they did not cooperate with the police throughout that 3½ years of the
investigation, despite the predecessor body to Fair Work Australia expressly recommending the day before Fair Work Australia was established that it should in fact put the Craig Thomson affair to the police. But they did not. We think that is disgraceful. We therefore think that there needs to be separate legislation to properly specify this in the relevant legislation which governs trade unions.

Third, the requirements and the penalties in this bill are still not in line with the Corporations Act. We think there should be a simple principle enacting in this legislation. That simple principle is that what is good for corporations is good for trade unions. In relation to penalties, for example, if the actions which were taken by the Health Services Union officials in the Craig Thomson affair occurred inside a company then individual directors may have been criminally liable for some of those things, may have had a $200,000 personal fine and could have landed in jail for up to five years. That is what occurs in the Corporations Act with the sort of egregious behaviour that we saw inside the Health Services Union. But underneath the Fair Work Australia act the penalty is up to $2,200. So you can appropriate hundreds of thousands of dollars and you can spend union members' money on prostitutes, on cash withdrawals or on your re-election campaign and the penalty is $2,200. And it is a civil penalty only.

We should be listening to Mr McClelland, the former Attorney-General, as well, who suggests that actually, if people are found guilty of such an offence, not only should they suffer greater penalties in line with the Corporations Act but also they should have to repay that money—because it is often the money of the lowest paid workers in the country that we are talking about which the trade union leaders are misappropriating for their own purposes. We do not think that is good enough. Consequently, we are putting forward amendments to bring the penalties in line with the Corporations Act.

This also goes to the issue of transparency and basic fiduciary obligations. Everybody knows that if you are a company director or a company executive you have to outline exactly where the money is being spent by a company. Executive remuneration is transparent and other measures are transparently laid out in relation to the company’s accounts. We also know that company directors have to operate under fiduciary obligations. That is, they have legal obligations to act in the best interests of their company shareholders. Again, we think the trade union leaders should equally have to follow those basic guidelines. We will, again, move amendments to ensure this.

My final criticism is that the bill before us has no reporting mechanism on why investigations are going over time. It should not, frankly, have to take almost four years for an investigation to occur, with no explanation as to why it is taking almost four years. An egregious abuse of members' money should not have to take four years to investigate. It should only be a relatively short process. It should be done expeditiously and, if there are delays in the investigation, there should be a public statement as to why there are such delays. That, again, is a measure which we are putting forward.

In conclusion, this bill gives the perception, the pretence, that the government are concerned about corrupt practices inside trade unions, but it is just that—a pretence. They are not fair dinkum about how they are regulating trade unions through this bill. The measures do not stack up against how companies are regulated and how company directors are held accountable. The measures do not stack up in relation to transparency, and we believe that they should. The
measures do not stack up in relation to the proper penalties which apply to company directors, and they should equally apply to trade union officials. Finally, the measures do not stack up in regard to the independence of the authority which has regulatory oversight of trade unions, as there indeed is an independent body which oversees the regulations governing corporations.

We are pleased that we are debating this, but we are putting forward serious amendments which we believe the government should enact. They should adopt those amendments. They would strengthen the bill and give confidence to all Australians and to all union members that their money is being protected and is being used wisely by the union leaders.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (17:39): When I introduced this bill I confirmed that this government believes in a free and independent trade union movement. We believe in the advocacy of employer organisations on behalf of their members. We believe in the accountability of these registered organisations to their members. We believe in the accountability of these registered organisations to their members.

I thank the representatives of employer organisations who, unlike those opposite, have seen fit to support our bill in its entirety. I thank the trade unions who have worked with the government as well to develop this legislation through the National Workplace Relations Consultative Council. Together we have achieved a rare feat in the workplace relations space—consensus. This consensus on the key elements of the bill was achieved without compromising the core principles underpinning the government's policy position. These principles are: respect for the role played by trade unions and employer organisations in our society and our workplace relations system; respect for the members who are entitled to expect that their interests remain the primary motivating factor for these organisations; and strong compliance with the rules of organisations as well as the Fair Work (Registered Organisations) Act for improved rule structures, better investigation powers and procedures with Fair Work Australia for a tripling of penalties for breaches.

I would also thank those members of this place who have spoken in favour of this bill, including those on the cross benches. Unlike others in this debate who have sought to smear and malign the trade union movement with innuendo and false charge, I have been and this government have been consistent in their approach to recent events involving compliance with the Fair Work (Registered Organisations) Act. We have consistently stated our view, but the Fair Work investigations must be allowed to conclude without political interference. Fair Work Australia is an institution independent of the executive. We do not resile from the fact that the reports by the delegate of the general manager of Fair Work Australia into the HSU Victoria No. 1 branch and the HSU national office contain serious and disturbing material, which we have said in fairness to the members should be tested in the courts. We have also made it clear that the members of trade unions and employer organisations are entitled to expect that their membership fees will be used for their benefit.

Whilst we were doing this, I have to report to the House that those opposite have tied themselves in knots repeatedly contradicting themselves in an identifying spectacle of politicking. They have on one hand accused the government of political interference with Fair Work Australia, but then on the other hand have called upon us to intervene. They have accused, at different times, Fair Work Australia of being part of a
political conspiracy, of administrative incompetence and debacle, and of delaying the release of the report for political ends. But then, when they read the report, they praised it as thorough, respected and methodical, and relied upon the content as unquestionable fact even though it had not been subject to cross-examination. They fell over themselves raising pseudo quasi-legal arguments to criticise the actions of the general manager. They then refused to acknowledge the basic tenet of our legal system and our democracy that allegations of actions contrary to law can and should be tested and determined within our court system.

Let me quote to you examples uttered by none other than the Leader of the Opposition. On 31 January this year at the National Press Club the Leader of the Opposition said the following about Fair Work Australia's investigation:

I just make the point that as things stand, this looks like an institutional go-slow to help the government.

That was a convenient message at the end of January, but later after the report had been released on 23 May the Leader of the Opposition described the same investigation as:

... a very long and very thorough and very meticulous and, I think, highly professional investigation.

So, there you have it. On 31 January the report is 'an institutional go-slow' and on 23 May it is amazing stuff. It is a convenient message he takes whenever it suits him in order to undermine unions and the interests of working people.

We in the government, however, have remained consistent throughout; the coalition has not. It is as simple as that in this debate about reform of registered organisations laws. This is the difference between us and those opposite when it comes to workplace relations. We make things happen, we get things done and we act in the interests of those we represent. We do not do and say things for the sake of being negative to obtain power. Most importantly, we do not keep our industrial relations policies a secret. We do not encourage the Australian voters to play hide-and-seek with our industrial relations policies. Those opposite work on the basis that the public will never find out what the coalition think until the actual election is conducted and over, just like they did in 2004. We have seen this time and time again with the opposition. They will not debate workplace relations, the full panorama of all the issues which affect all the Australian people that go to work every day. Of course, the Australian people do deserve better.

On 26 April this year, I took the difficult decision to intervene in proceedings before the Federal Court to apply for the appointment of an administrator to the East Branch of the Health Services Union. That branch covers workers in the health services sector in New South Wales, Victoria and the ACT. In explaining that decision, I said:

“I am particularly concerned that the interests of HSU members across Victoria, New South Wales and the ACT are not being properly served by the current dysfunction within the HSU East Branch.”

“My intervention is to ensure the broader public interest in working Australians having effective and accountable union representation is not undermined.”

I also said at the time that the decision:

... was taken to provide for the HSU to function into the future …

- meeting the expectations and in the interests of HSU members;
- sustainably and in a proper and democratic way; and
in accordance with its statutory obligations, including those set out in the *Fair Work (Registered Organisations) Act.*

Eight weeks later, the process of fixing this part of the Health Services Union is well underway. The Federal Court has already determined that there is sufficient dysfunction within this part of the Health Services Union and appointed an interim administrator to the HSU East Branch and HSU East, the New South Wales registered union. I thank the Hon. Michael Moore for agreeing to act in the position of administrator.

On 8 May I gave a press conference in response to the release of the report by the delegate of the General Manager of Fair Work Australia into the Health Services Union national office. During that press conference I made it clear that:

... the other unfortunate consequence is that this process has cast some doubts about the transparency and accountability of the broader trade union movement.

I believe that the problems which are reported in parts of the Health Services Union are not representative of the actions of the broader Trade Union Movement. I believe what we see here is the action of a few individuals, not the Trade Union Movement.

The government therefore committed to:

... taking wide ranging action to improve Fair Work Australia’s investigative processes ... to enhance the accountability and transparency of registered organisations ... strengthen associated penalties ... and ... introduce legislation to implement any recommendations from the KPMG Review into Fair Work Australia’s investigative capacities, once this review is completed.

Three weeks later, we delivered on these commitments and introduced the bill into this place—a bill that will improve financial training, transparency and disclosure by officials of registered organisations and by registered organisations to their members; improve the way that investigations into breaches of registered organisations provisions are conducted by the General Manager of Fair Work Australia; and introduce a threefold increase in civil penalties of the *Fair Work (Registered Organisations) Act.*

Registered organisations play a fundamental role in Australia's workplace system. Registered organisations play a fundamental role in the Australian democracy. These are organisations created and registered for the purposes of representing Australian employers and employees. They have particular recognition under Australian workplace relations law by virtue of their representative status, and it is because of that registration that they have particular statutory obligations in relation to their operation, conduct and disclosure.

Registered organisations are not regulated by the Corporations Act, and this is appropriate. Some in this debate—those sitting opposite, by and large—have argued that Corporations Act regulation should be applied to registered organisations. Others have argued that penalties should be increased 100-fold. Again we see the politics of simplicity and negativity clouding the opposition. They should know that there are many similarities between the regulation of corporations and the regulation of registered organisations. Officers of organisations, like those of corporations, are subject to serious duties and obligations. For example, they must exercise care and diligence; they must act with good faith; and they must not improperly use their position for personal advantage. Further, the financial regulation of entities is similar. They are required to undertake regular reporting of their financial accounts. Auditors are required to sign off their books in accordance with accounting standards. They are subject to regulatory oversight, and the general powers of Fair
Work Australia and ASIC are in fact similar. In addition, this bill uses corporations law concepts like related-party transactions.

But we must also recognise that registered organisations and corporations are different creatures, both in practice and in law. The aims of the two entities are different. Corporations are designed to generate wealth and protect the financial interests of their shareholders. Organisations are established to represent the rights of their members, whether employers or employees, at work amongst other things. There has been a false debate here that, unless all unions are regulated exactly like corporations, somehow anything else is insufficient. Yet there are many different types of entities in this country that are regulated by different regulatory regimes that are more appropriately suited to what they do and how they do it: charity organisations, not-for-profit organisations, partnerships and unincorporated associations, for example.

This bill will improve the financial accountability and transparency of registered organisations. It will increase penalties for breaches threefold in line with those in the Fair Work Act. It will make sure that officials of organisations receive appropriate financial training. It will require the remuneration of highly paid officers, related-party transactions and material personal interests to be disclosed to the members. It will fix deficiencies in the current legislation—which was in fact introduced by the Leader of the Opposition, who was the relevant minister at the time—not least by now allowing Fair Work Australia to share relevant information with state law enforcement and regulatory agencies where it is appropriate to do so. This was one of the things which those opposite were pointing to when criticising the conduct of the Fair Work investigations into the HSU, and with this bill we are actuallyremedying the errors in drafting made by the Leader of the Opposition when he was minister for industrial relations.

This is extremely important legislation, not entered into lightly, which should be supported by all members of this place. I should also add—when we talk about people who are supporting this—that, whilst the opposition appear to be choosing the path of negativity, the Australian Industry Group, the Australian Chamber of Commerce and Industry are both supporting this, as are the ACTU. In fact, some employer organisations have criticised us for going too far, such as the Master Plumbers Association. This bill has the support of the Business Council of Australia. So the stakeholders—the people who operate day to day—are unanimous in supporting us, yet those opposite still persist with their old-fashioned remedy of union baiting.

We want to make sure, on behalf of all those people in Australian society who are genuinely interested in the ongoing viability of registered organisations, that the registered organisations regulation operates in a way which ensures that organisations are accountable to their members. I commend this bill to the House.

The DEPUTY SPEAKER (Mr KJ Thomson): The original question was that this bill be now read a second time. To this the honourable member for Farrer has moved as an amendment that all words after 'That' be omitted with a view to substituting other words. The immediate question is that the amendment be agreed to.

Question negatived.

Original question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.
Ms LEY (Farrer) (17:53): by leave—I move opposition amendments (1) to (3):
(1) Schedule 1, page 4 (after line 6), after item 4, insert:

4A  After section 288

Insert:

288A  Good faith, use of position and use of information—criminal offences

Good faith—officers
(1) An officer of an organisation or a branch commits an offence if he or she:
(a) is reckless; or
(b) is intentionally dishonest;
and fails to exercise his or her powers and discharge his or her duties:
(c) in good faith in the best interests of the organisation; or
(d) for a proper purpose.
Penalty: Imprisonment for 5 years or 2,000 penalty units, or both.

Use of position—officers and employees
(2) An officer or employee of an organisation or a branch commits an offence if he or she uses his or her position dishonestly:
(a) with the intention of directly or indirectly gaining an advantage for himself or herself, or someone else, or causing detriment to the organisation; or
(b) reckless as to whether the use may result in himself or herself, or someone else, directly or indirectly gaining an advantage, or in causing detriment to the corporation.
Penalty: Imprisonment for 5 years or 2,000 penalty units, or both.

Use of information—officers and employees
(3) A person who obtains information because he or she is, or has been, an officer or employee of an organisation or a branch commits an offence if he or she uses the information dishonestly:
(a) with the intention of directly or indirectly gaining an advantage for himself or herself, or someone else, or causing detriment to the organisation; or
(b) reckless as to whether the use may result in himself or herself, or someone else, directly or indirectly gaining an advantage, or in causing detriment to the corporation.
Penalty: Imprisonment for 5 years or 2,000 penalty units, or both.

4B  Omit "or 288", substitute "288 or 288A".

4C  Section 290

Omit "or 288", substitute "288 or 288A".

(2) Schedule 1, item 8, page 4 (lines 15 and 16), omit the item, substitute:

8  Paragraph 306(1)(b)

Repeal the paragraph, substitute:
(b) in the case of an officer of an organisation—200 penalty units; or
(c) in any other case—60 penalty units.

(3) Schedule 1, item 9, page 4 (line 24), omit paragraph (1A)(b), substitute:
(b) in the case of an officer of an organisation—100 penalty units; or
(c) in any other case—30 penalty units.

I make the point that the minister at the table talks about registered organisations being fair and accountable, but we in the coalition do not believe that this legislation makes them sufficiently accountable. I flagged in my speech in the second reading that the coalition would move at the consideration in detail stage commonsense amendments to make some improvements to this bill, separate from our amendments which were moved at the second reading stage.

With respect to this group of amendments, the bill as drafted allows for Fair Work Australia to outsource fully an investigation to an outside body. The coalition believes that, while outside experts may be required on individual parts of an investigation, the independent statutory body should be the one to conduct and oversee the entire investigation. We have concerns that investigations being conducted by an outside entity the general manager sees fit would not
allow for the proper accountability and oversight of investigations. So the coalition will move an amendment to ensure that investigations are actually conducted by Fair Work Australia, while leaving in the power for outside help to be brought in on individual parts of an investigation. In this way a full investigation of itself cannot be outsourced.

We will seek to bring across into the Registered Organisations Act section 184 of the Corporations Act, which would make it a criminal offence for bosses of registered organisations to not act in good faith, to use their position dishonestly or to behave in a reckless manner. Further, with the government's increases to the civil penalties the coalition will seek to increase penalties in line with the Corporations Act.

The coalition does not believe that the amendment that the government moves about disclosure of information to police is necessary because Fair Work Australia should at all times have the ability to cooperate fully with police as per advice published earlier this year by Stuart Wood SC. However, our amendment will make it abundantly clear that the general manager and staff of Fair Work Australia can cooperate fully with police at all stages of an investigation, including proactively providing information to police. As I said, we do not really believe we should need to make this amendment but we do so for the avoidance of doubt. The government's amendment in this area just does not go far enough to ensure that this cooperation will take place.

While Fair Work Australia presently can provide information to the Commonwealth Director of Public Prosecutions, the government will allow a further disclosure to all directors of public prosecutions in Australia. However, we witnessed in Fair Work Australia's last referral an inability of the Commonwealth Director of Public Prosecutions to pursue the matters raised as they were not prepared in a brief of evidence. Fair Work Australia said that it could not prepare a brief of evidence because the legislation did not allow for it. This amendment will give Fair Work Australia the express power to prepare a brief of evidence should it need to.

The government will require the publishing of information to members, including the pay, interests and expenses of senior officers. The coalition seeks to amend this provision so that the report to members, however it is provided, is also provided to Fair Work Australia within their existing reporting requirements. The coalition believes it is important that the information is provided to Fair Work Australia to ensure that regulatory oversight on how union members' money is spent is absolutely spot-on and accountable.

The coalition feels that these amendments will only improve the bill. The only way to get the best possible outcome is for the next coalition government to implement our better plan for accountability and transparency of registered organisations, because only a coalition government can restore the hope, reward and opportunity that is so horribly missing under Labor's framework.

I have spoken to a group of eight amendments. For the convenience of the House I have included my comments on all of those amendments but I am actually asking that amendments (1) to (3), as circulated in my name, be considered at this point of time.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (17:57): For the sake of efficiency, I might deal with all of the
amendments in my comments and then deal with them separately, seeing as the member for Farrer has spoken to all of them. At least, I will try to cover as much ground as I can in the five minutes.

In reference to the coalition amendments (1) through to (3), there are already requirements in the legislation for officers to act with care and diligence, to act in good faith, and not to use their position improperly or use information that they have obtained through acting as an officer of an organisation improperly. The Fair Work (Registered Organisations) Act already prohibits members’ money being used to favour particular candidates in internal elections or campaigns, and our proposal does triple penalties for breaches of the registered organisations act.

So let us be clear: the government does not condone officers of registered organisations or officers of corporations, or anyone in a position of trust or fiduciary duty, acting inappropriately, misusing funds that they are entrusted to manage or taking benefits they are not entitled to. There is nothing in the registered organisations act that prevents criminal proceedings being initiated where funds are stolen or someone engages in fraud. The registered organisations act prioritises the conclusion of criminal proceedings before civil penalties are issued in relation to the same conduct—that is in sections 311 and 312. Indeed, the registered organisations act does not prevent criminal proceedings from being commenced even after civil penalties have been applied in relation to the same conduct.

The argument that has been proposed to base these amendments upon is that registered organisations are identical to corporations. They simply are not. Registered organisations are not regulated by the Corporations Act, and this is appropriate. At no time, even in the Howard years, did the coalition government or any of its ministers ever propose saying that registered organisations are identical to corporations—clearly, a change in policy now. Some in this debate have argued that the Corporations Act regulations should be applied to registered organisations. Others have argued that penalties should be increased 100-fold. We believe that this argument is too negative and too simplistic. We do believe that officers of organisations, like those in corporations, are subject to serious duties and obligations. They must exercise care and diligence. They must act in good faith. They must not improperly use their position. We recognise that the financial regulation of these entities is similar. They are required to undertake regular reporting of the financial accounts. Auditors are required to sign off their books in accordance with accounting standards. They are subject to regulatory oversight. And the general powers of Fair Work Australia are similar to those of ASIC. In addition, this bill uses Corporations Law concepts like related party transactions.

We must also recognise that registered organisations and corporations are different creatures, both in practice and in law. The aims of the two entities are different. It is a false debate to say that unions or employer associations are identical to corporations. That has never been in the jurisprudence of this nation, and the case has not been made to change that policy in that way. If you accept what the opposition says, that unions and employer associations should be treated identically to corporations, then why stop there? Do you argue that St Vincent de Paul, who hold significant financial interests, should have the same laws apply to them as apply to BHP Billiton? Should Telstra be regulated in the same way as the toy makers union? Should Coles have the same rules
apply as an unincorporated partnership running a bookshop?

We do not believe that the case for these amendments has been made. We believe that the hazards which the opposition are concerned about are adequately catered for in the propositions that are being advanced.

The DEPUTY SPEAKER (Mr KJ Thomson): The question is that opposition amendments (1) to (3) be agreed to.

The House divided. [18:05]

(The Deputy Speaker—Ms AE Burke)

Ayes ............................ 70
Noes ............................ 74
Majority ...................... 4

AYES
Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ
Wyatt, KG

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

PAIRS
Bishop, JI
Ferguson, MJ
Somlyay, AM
Rowland, MA

Question negatived

Ms LEY (Farrer) (18:10): by leave—I move opposition amendments (4) and (7) together:

AYES

NOES
(4) Schedule 1, item 15, page 7 (lines 1 to 15), omit section 335C.

(7) Schedule 1, page 14 (after line 10), at the end of Part 1, add:

**39A After section 343A**

Insert:

**343B Disclosure of information**

(1) This section applies to information acquired in the performance of functions or exercise of powers under this Act.

*Disclosure that is necessary or appropriate, or likely to assist administration or enforcement*

(2) The General Manager may disclose, or authorise the disclosure of, the information if the General Manager reasonably believes:

(a) that it is necessary or appropriate to do so in the course of performing functions, or exercising powers, under this Act; or

(b) that the disclosure is likely to assist in the administration or enforcement of a law of the Commonwealth, a State or a Territory.

*Obligation to disclose information relevant to commission of offence*

(3) If a member of the staff of FWA reasonably believes that the information is relevant to the commission, or possible commission, of an offence against a law of the Commonwealth, a State or a Territory, the member of staff must disclose the information to the General Manager.

(4) If the General Manager reasonably believes that the information is relevant to the commission, or possible commission, of an offence against a law of the Commonwealth, a State or a Territory, the General Manager must disclose, or authorise the disclosure of, the information:

(a) for an offence against a law of the Commonwealth—to the Australian Federal Police; or

(b) for an offence against a law of a State or Territory—to the police force of the State or Territory.

*Information may be disclosed despite inquiry or investigation under this Act*

(5) To avoid doubt, if the information relates to a matter that is the subject of an inquiry or investigation under Part 4 of Chapter 11, a person need not wait until the conclusion of the inquiry or investigation before disclosing, or authorising the disclosure of, the information under subsection (2), (3) or (4) of this section.

**39B Application—disclosure of information**

The amendment made by item 39A applies in relation to information acquired before, on or after the commencement of that item.

*The DEPUTY SPEAKER (Ms AE Burke):* The question is that the opposition amendments (4) and (7) be agreed to.

The House divided. [18:12]

(The Deputy Speaker (Ms AE Burke))

Ayes ...................... 70

Noes ...................... 74

Majority............... 4

AYES

Abbott, AJ

Andrews, KJ

Baldwin, RC

Bishop, BK

Broadbent, RE

Chester, D

Ciobo, SM

Coulton, M (teller)

Dutton, PC

Fletcher, PW

Frydenberg, JA

Gash, J

Haase, BW

Hawke, AG

Hunt, GA

Jensen, DG

Keenan, M

Laming, A

Macfarlane, IE

Markus, LE

McCormack, MF

Morrison, SJ

Neville, PC

O’Dwyer, KM

Pyne, CM

Randall, DJ

Robert, SR

Ruddock, PM

Scott, BC

Simpkins, LXL

Alexander, JG

Andrews, KL

Billson, BF

Briggs, JE

Buchholz, S

Christensen, GR

Cobb, JK

Crook, AJ

Entsch, WGi

Forrest, JA

Gambaro, T

Griggs, NL

Hartseyker, L

Hockey, JB

Irons, SJ

Jones, ET

Kelly, C

Ley, SP

Marino, NB

Matheson, RG

Mirabella, S

Moylan, JE

O’Dowd, KD

Prentice, J

Ramsey, RE

Robb, AJ

Roy, WB

Schultz, AJ

Secker, PD (teller)

Smith, ADH
AYES

Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

Stone, SN
Truss, WE
Vasta, RX
Wyatt, KG

NOES

Adams, DGH
Albanese, AN
Bandt, AP
Bowen, CE
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP

Albanese, AN
Bird, SL
Bradbury, DJ
Byrne, AM
Cheeseman, DL
Collins, JM
Cean, SF
D’Ath, YM
Elliot, MJ
Emerson, CA
Fitzgibbon, JA
Georganas, S
Gillard, JE
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)

Mr LEY (Farrer) (18:13): I move opposition amendment (5):

(5) Schedule 1, page 8 (after line 18), after item 23, insert:

23A At the end of section 336

Insert:

Referral to include relevant evidence and information

(6) If the General Manager refers the matter to the Director of Public Prosecutions, the Australian Federal Police or the police force of a State or Territory, the referral must include all the relevant evidence and information that has been acquired in the performance of functions or exercise of powers under this Act.

(7) The evidence and information must be given in such a form as to enable it to be used to consider whether to institute a prosecution, or take any other action, in relation to the matter.

Note: The evidence and information should be set out in the same way as a brief of evidence, or in a way that facilitates converting it to a brief of evidence.

Question negatived.

Mr LEY (Farrer) (18:13): I move opposition amendment (6):

(6) Schedule 1, item 36, page 11 (line 25) to page 12 (line 9), omit all the words from and including "delegated to", substitute "delegated to a member of the staff of FWA who is an SES employee or acting SES employee".

Question negatived.

Mr LEY (Farrer) (18:14): I move opposition amendment (8):

(8) Schedule 1, page 29 (after line 6), at the end of the Schedule, add:

62 After paragraph 230(1)(c)

Insert:

(ca) records of all disclosures made in accordance with rules required by Division 3A of Part 2 of Chapter 5 (rules relating to disclosures);

63 Paragraph 233(1)(b)

After "(c)", insert", (ca)".

Question negatived.
After "(c)", insert ", (ca)".
Question negatived.
Bill agreed to.

Third Reading

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (18:14): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

BUSINESS

Rearrangement

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:15):
by leave—I move:
That the resolution relating to the time and order of business for Tuesday, 26 June 2012 agreed to earlier today, be amended by omitting 12 noon wherever it appears and substituting 9 am.
It is intended for the information of members that at 9 am tomorrow we will have a vote on the motion moved by the member for Bradfield, which relates to the anniversary of the terrorist act that occurred at the Munich Olympics. It is important that vote takes place prior to the Olympic Games being held in London. The motion was a request made by the Manager of Opposition Business, which the government was happy to support. Therefore, that vote will take place first and then we will have debate on other bills, on which there are long speaking lists, in order to facilitate the timely exit we hope to achieve in accordance with the schedule that has been set down for later this week. I thank the House.

Mr PYNE (Sturt—Manager of Opposition Business) (18:16): The opposition is grateful that the Leader of the House has agreed to ensure that the motion on the murder of the Israeli athletes at Munich 40 years ago is voted on before the Olympics actually begin. It has bipartisan support. I understand that the member for Isaacs and the member for Melbourne Ports as well as coalition MPs will speak on this motion to support it. The Leader of the House and I and many other MPs have jointly signed advertising to support this particular motion because this kind of issue should be well above partisan politics.

We have also agreed between us that we sit from 9 am to 2 pm tomorrow in unusual circumstances given it is the last week of this session and sometimes it can spill over to the last day. We are all working and we hope the Senate will also see, within their infinite wisdom, the benefits of finishing on Thursday rather than sitting on Friday.

Question agreed to.

BILLS

Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012
Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012

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

Mr HOCKEY (North Sydney) (18:18): I rise to speak on both the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill and the Income Tax Amendment (Managed Investment Trust Withholding Tax) Bill. This is the second time the government has introduced this bill into the parliament, following its stunning backflip on this issue last week. What an extraordinary moment.
Last week this exact provision the government excised from the bill, only to reintroduce exactly the same provision the following day—with no explanation. Unless the member for New England or the member for Lyne or the member for Kennedy or anyone else has an explanation, there is no explanation from the government as to why it dumped it last week and is reintroducing it this week. Last week the government moved an amendment to its own bill to excise the doubling of the final withholding tax on managed investment trusts from 7½ per cent to 15 per cent from 1 July this year. That move followed reports that the government was unable to gain the support of the Greens—and that only came about because the Minister for Finance, Senator Wong, in the Senate accidentally let slip that when they could not get the support of the Greens on this proposal they decided to excise it from the TLAB bill.

So now the government is reintroducing the measure. This is the third budget measure the government has now shown signs of backing down on. Why else would the government excise it from the TLAB last week? The first budget backdown was the government’s decision to re-embrace the dumped company tax cut from budget night, which the Prime Minister now says is a priority—but does not have the money for. Secondly, the government backed away from the ongoing CPI increases to the passenger movement charge. Thirdly, just last week, the government backed away from its doubling of the final withholding tax on managed investment trusts from 7½ per cent to 15 per cent from 1 July 2012. That said, the coalition welcomed the backdown on the withholding tax on managed investment trusts. We thought it was something more significant. The Tourism and Transport Forum said the decision not to proceed with doubling the withholding tax rate for managed investment trusts 'will go some way to restoring foreign investor confidence'. Unfortunately, this backdown was not before the government’s constant chopping and changing in relation to the MIT withholding tax. This again reduced our predictability in the eyes of international investors. The Tourism and Transport Forum went on to say:

While some damage has been done to Australia’s reputation as an investment destination, the decision not to proceed with doubling the withholding tax rate will help to restore investor confidence and renew interest in Australian tourism projects.

So the tourism taskforce is in exactly the same position as we are. You can imagine where international investors are at. We do not know what the government are planning. The government originally announced that they were reducing the withholding tax on managed investment trusts from 30 per cent down to 7½ per cent, so they had a one-way trend. Then they announced on budget night that they were going to increase it from 7½ per cent to 15 per cent, which came as a shock to people, because investors had worked on the basis that there was a trend towards a lower level of tax. But then the flipside came last week, when the government simply removed it from one of their own bills, suggesting that they were now dumping the proposal in the face of our opposition and the opposition of a vast array of investors, only to reintroduce it again last Thursday and to rush through debate today. It is like groundhog day; this proposal has come back.

Well, the opposition is going to be entirely consistent. We will oppose this measure on the grounds that it unquestionably heightens sovereign risk perceptions of Australia and the change will have an adverse impact on infrastructure investment. The only thing consistent about this government is its
inconsistency. It is the constant backflips, the twists and the turns that are creating the sovereign risk. In these pretty tough global economic conditions the government should be doing all it can to be stable and predictable. Unfortunately there are numerous examples where businesses are concerned about the sovereign risk that has developed towards Australia as a result of this government.

Ivan Glasenberg is the Chief Executive Officer of Glencore, which is currently in the middle of one of the biggest takeover-mergers in global history, with its attempt to take over Xstrata, which has a massive amount of investment here in Australia. Ivan Glasenberg said in London a few weeks ago:

At least in the Congo they need you, they want you there and if they start changing the rules on you, you may not continue investing.

So Australia does have its risk, yes. We saw the carbon tax, we saw the mineral resource tax. It is a First World country but is doing things that are making people cautious of investing, so Australia is becoming another country where you have got to make sure that the rules aren't going to change on you.

Ivan Glasenberg is saying that not as an outsider looking in, even though he lives overseas. He is also saying it as an Australian citizen.

At the dispatch box earlier today the Prime Minister was saying that it is the negativity of the opposition that is causing consternation. No, it is the incompetence of the Prime Minister, the incompetence of this government, that is causing consternation out there. We did not write Ivan Glasenberg's speech. We did not write the words of David Knox, Chief Executive Officer of Santos, when he said:

Governments must recognise what we all know … that investment in oil and gas is not a short-term game, but one based on a long-term outlook with returns over the long-term.

With such massive capital investment and therefore risk up-front, long-term investors like those in the oil and gas industry need stable, predictable, long-term rules.

My clear message to the Australian Government is: do not create uncertainty.

Instead provide our investors with the confidence in Australia as a stable fiscal and regulatory region—allow us to stay competitive.

'Allow us to stay competitive'—that is what they are saying.

Jack Nasser, Chairman of BHP and former global chief executive of Ford, who is on a number of global boards, including News Corporation, said:

I cannot overstate how the level of uncertainty about Australia's tax system is generating negative investor reaction. People don't know where it's going.

Here Jack Nasser is talking about the uncertainty coming out of Australia. These are people that have a propriety interest in the welfare of Australia, and they are saying, 'Hang on, why is Australia so unstable? Why are you making it harder for us to get global investment, to create jobs in Australia? Why are you doing this?'

John Stanhope, former Chief Financial Officer at Telstra and Director of AGL Energy, said:

… people looking outside at Australia think we're a sovereign risk because of the uncertainty created by policy fluctuation.

The difference is in the two parties, and that is very real. It struck me to hear from people who normally give Telstra a lot of money, 'No, we are not interested anymore.' To get rid of that uncertainty is very important.

In 2008, as I said earlier, this government moved to reduce the rate of withholding tax on managed investment trusts progressively from 30 per cent to 7½ per cent, a move
which was not opposed by the coalition. But we did ask the question about whether the government was really committed to it. At the time, we expressed concerns that the reduction in the withholding tax rate was not a genuine reduction for international taxpayers due to the operation of double taxation agreements. Any reduction in taxation paid in Australia may simply have led to higher taxes being paid in other jurisdictions.

We expressed concerns that the bill had not been subject to proper scrutiny, as the government did not allow the bill to be considered by the Senate Standing Committee on Economics at the time. We raised serious concerns that the government's costings for the measure may have been underestimated. Today the government may try to use the previous arguments of the coalition against us in the current debate, but in the context of the current economic climate, including potential significant reductions in foreign investment and employment in the construction sector, the coalition does not view this as an appropriate time for the government to be doubling withholding tax on potential sources of investment that will help to drive economic growth and job creation. Continual change to our international taxation arrangements, coupled with the government's retrospective tax grabs on a variety of legislation, reduces international investor confidence and elevates concerns about our sovereign risk profile.

This instability in the government is creating greater uncertainty for investors and it is leaving Australian consumers, as well as Australian businesses, confused. There is a myriad of examples where the government says one thing and does another. As an example, I note an issue on which I have been criticised, the National Disability Insurance Scheme. The government has said it is absolutely committed to the NDIS—so committed, in fact, that it is going to bring forward, and accelerate, the implementation of the NDIS. The government is going to speed it up and, instead of committing $3.9 billion over the first three years, it is in fact only committing $1 billion. When I said it was a cruel hoax for the government to be claiming to speed up implementation of the NDIS when it was in fact massively underfunding it, people said: 'How dare you!' for saying that. 'How dare you suggest the government is not committed to it! How dare you suggest there is not bipartisan support!'

There is bipartisan support on the NDIS. However, buried in the last paragraph on page 3 of the Deputy Prime Minister and Treasurer's economic note that was published on Sunday, after three of the four headings, the government seemed to be boasting about its achievements in this regard. The Treasurer said:

That's been the focus of Labor since day one, it's been the focus of Julia Gillard since she became prime minister two years ago, and it's remained our focus as we've gone about getting the big reforms in place—

They love talking about big reforms. Everything is big, huge, monstrous—everything is enormous. That will set us up for the future, like the pricing of carbon pollution, like introducing the Minerals Resource Rent Tax, like giving consumers a better deal in the banking system, and like beginning the long road towards a National Disability Insurance Scheme.

'The long road towards a National Disability Insurance Scheme.' I could have sworn it was a shortened road, because the government said that it was going to fast track the NDIS. The government was going to bring it forward. But what had become a fast track to bring forward the NDIS is now turning into 'the beginning of a long road' towards the NDIS. My goodness! Even the
Prime Minister sought to list the NDIS as an achievement, and now, buried deep in the Treasurer's own economic note—which goes out on a Sunday—it is a long road to deliver that NDIS.

I wonder if the government is going to be here long enough to travel that long road. Perhaps it is like the original version of The Wizard of Oz, which I have just been reading to my children. I can tell you that the original version is a rather lengthy book—Dorothy seems to cross a lot of roads to get to Oz. I think the Labor Party's commitment to an NDIS is as topsy and turvy, and as wavy, and as fragile as Dorothy's trip along the yellow brick road, in its original version—which is sad, because in all of this the government is playing with people's hopes.

The Labor Party is hoping that people will ignore the travails of an incompetent government, but they cannot. Whether it be on social or health policy issues—like the NDIS; like the great big health reforms that the government said it was going to deliver as former Prime Minister Kevin Rudd sought to take over the hospitals and to form a joint partnership that is now mired in red tape; or like the national curriculum that the government has sought to claim as an achievement and that three years later still has not been rolled out—or on economic policy issues, like the bills before the House at this moment, this is a government that is inconsistent. It is a government that is fundamentally flawed in its ability to run an economy and to run a society.

It is a government that does not know whether it is Arthur or Martha, whether it is Wayne or Wendy, or whether it is Julia or John. But what I know, and what my colleagues know and what, I am sure, the Australian people know, is that this is a government that is not fit for office and that the Labor Party has truly lost its way. It has never recovered from the events of just over two years ago and, if you want a single contemporary illustration of the incompetence of the government, you need look no further than these bills that are before the House.

Mr NEUMANN (Blair) (18:35): I spoke in relation to this particular legislation last week, from memory, on schedule 4. I rise to speak in support of the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 and the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012.

These bills implement a budget measure. We announced a particular measure in the budget that would lift the withholding tax rate applied to distributions for managed investments, to residents of a country that Australia had a tax information exchange agreement with, from 7½ per cent to 15 per cent, and it is commencing from 1 July 2012. The information I have received is that there is a total impact on the budget of about $260 million in revenue over the forward estimates. It is a not inconsiderable amount of money in relation to this measure, and it is part of our framework for ensuring that the budget gets back to surplus. The 15 per cent rate is still competitive with rates applying in other countries and brings us into line with the US, Canada, Hong Kong and the UK. For the information of those people who may be listening, in the UK the withholding treatment of distributions from MITs in relation to nonresidents is about 20 per cent and that rate may be reduced under certain treaties. In Japan it is 20 per cent generally and seven per cent for individuals listed in REITs, lifted to 15 per cent in 2014 unless extended. In South Korea, our fourth biggest trading partner, it is 22 per cent; in the United States, 30 per cent; in Canada, 25 per cent; in Belgium, 15 per cent; and in the Netherlands, 15 per cent. So when you look
at what is happening around the world it is not unreasonable for our rate to be at 15 per cent.

The coalition have had every position possible in relation to this measure. When the coalition were in power, the rate was 30 per cent. It was an election commitment of ours back in 2007 to reduce the rate to 15 per cent, and we did that as part of our proposals to ensure more investment in this country and to make Australia a financial services and investment hub. The coalition have on numerous occasions criticised us over reducing it from 30 per cent to 15 per cent. They tried to refer the measure to the Senate Economics Committee for review but it did not vote against it. In the parliamentary debate they criticised the reduction to 7½ per cent, claiming it was a broken promise because it was a greater reduction than we had said we would do in the 2007 campaign.

The interesting question is what they would do if they returned to the treasury bench. If they are fair dinkum about opposing the increase to 15 per cent, then let us see them commit themselves to reversing that position. Let us see them make any public statements about that. Let us see them come clean about the issue. To date, they have not. If they are not going to do that, how are they going to save the $260 million across the forward estimates? What particular services in education, health and the like are they going to cut? How are they going to pay for it? Once again we see the coalition generally prepared to accept expenditure that we announce, rarely in support of the budget savings measures that we pursue and often against the revenue-raising measures that we undertake to make sure the budget is back in surplus and we have a viable budgetary position as a government.

From opposite we hear the nay-sayers and doomsayers. We heard the shadow treasury spokesperson talk down the economy and talk about sovereign risk. For heaven's sake! When we have government debt at about a 10th of the average in the OECD, inflation in the band expected by the Reserve Bank, interest rates much lower than they were under the Howard coalition government and unemployment at around five per cent, to go on about sovereign risk is simply a nonsense. We are talking about budget legislation that deals with about $260 million across the forward estimates. It flies in the face of all the economic indications and includes about half a billion dollars in investments in the mining sector alone—in coal, iron ore et cetera—in states such as Western Australia and Queensland, my home state.

If this is such a terrible measure that we are undertaking, you would expect the coalition, if they have any consistency, to come into this place and say where they would save the money, and they would eventually have to come into this place with a consistent policy. When we announced at one stage that we were going to cut the tax, the then doyen of economic responsibility for those opposite, the then Treasurer, called it a 'tax cut for foreigners'. We have had all kinds of positions on this matter from those opposite. They certainly have not been consistent in any way, shape or form. Even today there is umbrage and unction from those opposite but little evidence as to what their position is, except to say—as they traditionally do in this place—a simple no. Once again, I would like to know where they stand on this particular issue. I would like them to get rid of the histrionics, hysteria and hyperbole, and the over-the-top theatrics from the shadow Treasurer, that we see so often—designed in part to hide their embarrassment that we reduced the tax from 30 per cent to 15 per cent. Last week we saw
grandiose statements and claims about us withdrawing this measure, and I think there is a degree of embarrassment from those opposite now that we have reintroduced it so quickly.

This is a sensible savings measure. It is consistent with the Henry review recommendations on location-specific rents. The government made the sensible commitment to bring the budget back to surplus and we are determined to do that on time and as promised. We are committed to making sure that the economy is strong and that we govern in a consistent way that gives certainty and security for those people who want to invest in this country. That is always the case: if the government keeps changing the rules and the laws and is inconsistent, then those who are in business are always worried about what might happen.

This is particularly important legislation. Those opposite have no consistency, and they have form on this issue: every sensible savings measure they block, or they pretend that they can find savings but they never articulate them. I think what they are doing here is simply adding to that $70 billion black hole which the shadow finance minister has admitted they have and the shadow Treasurer has also said they have. So this is another $260 million that they can add to that. If they want to be consistent, then let them come into this place tonight and support savings and our revenue-raising measures. Be consistent; do not just spend.

We know on this side of politics that we have been prudent with respect to revenue to the government. There is a lower tax-to-GDP ratio now than there was at any time under the Howard coalition government. All they did was engage in middle-class welfare, tax and spend. That was the Howard coalition government. There were rivers of gold coming in, but it was squandered and not invested in infrastructure and the kinds of things that lift productivity in places like Western Australia and Queensland.

I support this legislation. I think it is prudent. It is part of the government's overall strategy. It is consistent with the majority recommendations of the economics committee of this House. If those opposite would ditch the word 'irresponsibility' and add 'responsibility' to their economic framework and policy, they would support it as well.

Mr KATTER (Kennedy) (18:45): I speak in praise of the shadow Treasurer when he criticises the government for changing the goalposts. I think that it is right for our overseas investors to have faith in the Australian government. Having said that, we are never going to be able to change anything if we take that principle to its logical conclusion. We would never be able to change anything. So I take the shadow Treasurer's remarks, but I think that you cannot just apply that rule to every single potential initiative by government—otherwise, we would never be able to take an initiative.

One of the many reasons that I am aggro to the ALP-NLP corporation that runs this place is that you have a management coup every six or seven years, it would appear. Having said that, I take the shadow Treasurer's argument. It is a valid argument and I praise him for putting it forward. But I have also got to say that you have to make some changes.

We have this extraordinary situation where Australian companies pay 30 per cent tax, but foreign corporations only pay, I think, 17 per cent tax. It is an extraordinary anomaly. You say, yes, but the agreement is that our companies in America pay only 17 per cent tax and then they have to pay the rest of it when they come back to Australia.
How many companies do we own in America? How many do they own in Australia? This is a very lopsided deal, a very, very lopsided arrangement. It needs to be clawed back, and part of the clawing back is happening here today. From an overseas investor's point of view, this place is dreamland—and not dreamland in so far as being the land of dreams—it is paradise. You only have to pay 17 per cent interest. You have high interest rates and you can absolutely guarantee that the dollar is going to continue to ascend. You know that the ALP-NLP corporation that runs the country is very, very committed to the idea that overseas financiers should be given a rails run. Just look at your country. The supine attitude of the last government and the current government has resulted in many of our resources being foreign owned.

Fifteen years ago all of Australia's great mining companies were Australian owned—BHP, Western Mining Corporation, Normandy and Mount Isa Mines were all Australian owned. Eighty-five per cent of our mineral resources were under those great mining companies and all were Australian owned. Now they are all foreign owned.

The second biggest agricultural industry in this country is dairying and every single factory in Australia was Australian owned prior to deregulation in the year 2000. Now all the giant corporations in the dairy industry except Murray-Goulburn are foreign owned. All of our sugar mills with the exception of Mackay Sugar are foreign owned. Our airlines were all totally Australian owned and, thanks to the machinations of the head of Qantas and the board of Qantas, clearly, Qantas is going to be divided up into five companies and four those companies will be foreign owned. Is there anything that Australia still owns? Is there any significant company in this country that is still Australian owned? If there is, do not tell me about, Mr Acting Deputy Speaker Symon, because, if the overseas corporations find out, it will not be Australian owned for very long—that is for certain.

In this place we hear a lot about Moody's and Standard & Poor's. They do not run this country and their track record is absolutely appalling. I would urge Treasury officials, if they are sitting in the House here, to go and get out the three books on Enron. Standard & Poor's and Moody's and all the rest of them told us that Enron was a great, stable and wonderful company, just two months before Enron fell over, owing their shareholders and their creditors $64,000 million. They only made a little mistake—$64,000 million in one corporation.

It is an infinitely more complicated situation with governments. I am very worried about a tendency that governments have when they skite about not spending money. I belong to the biggest borrowing government in Australia's history. We did not borrow, as the current LNP government in Queensland is doing, to build pleasure domes in George Street—the parliamentary precinct—as the current newly appointed LNP government is doing in Queensland. We did not do that. We spent the money on building a railway line out to the middle of nowhere where there is a whole stack of coal reserves because a bloke called Les Thiess reckoned he could sell the coal to Japan. We did our homework and we reckoned he could, so we borrowed a king's ransom in money and spent it building that coal line. We had no guarantee of anyone using that line. They might have signed some agreements but they were only as good as the company. If the company fell over, we would have, so we took huge risks and we built this giant port at Gladstone, one of the six biggest ports in the world in that it could take 200,000-tonne vessels. There were only
six ports in the world that could take 200,000-tonne vessels.

Not stopping there, we built one of the four biggest power stations in the world so we could have the cheapest electricity in the world. We gave those Utah coalminers a rail run, and we had a small clause which gave us the overburden coal. We drove this giant economies of scale power station on free coal because of the cunning deal we had done. We built a power station that we did not need. There were no users there for that power station. It was a huge risk that the great Ron Camm, who was more of a mentor than even my father, took in building that power station. He said, 'If we have the cheap electricity, the aluminium industry will come.' It was a huge risk. If they had gone bad with coal or aluminium they would have been annihilated as a government. Heaven only knows, they were ripped into continuously, all the time. They borrowed, spent all this money and put the state into hock. Yes, but the money was not spent on buying votes. Most of the expenditures in this place really amount to buying votes. You can say that the spending makes life more easy and more attractive for people. Well, we were hard people—13 of our cabinet had cut cane by hand as young men. We were not used to all the leisures and pleasures of life. We were used to making sacrifices, saving our money and investing it in the future in productivity.

We now spend $23,000 million every year, and three of the people on the boards of the superannuation companies that spend that money have been in to see me. They say, 'All we are doing is pumping up the balloon.' I say to Treasury, to ASIC and to all these other people who are supposed to be the prudential controllers, 'Don't you see that you are blowing up a balloon?' All of that $23,000 million is being spent on realty and on the share market and it is just blowing it up. There is nothing behind it at all, except the $23,000 million that is going to be invested next year. There is nothing actually being produced at all, and in the meantime we say, 'Oh, we have to get money from overseas to open up our coalmines and our iron mines.'

There was a 60-40 rule with superannuation in the days when I sold superannuation. I made a lot of money out of it, too. God bless all the people that I worked for, my clients. Sixty per cent of that money went into government securities, so what happened in 1998 and again with the GFC and things like the collapse of Storm Financial could not have happened under us. Sixty per cent of that money was government guaranteed. Let me give you just one example. You introduce ethanol, and then you know you have a market in Australia for ethanol. So you can go and put the money up to build a big dam to put in giant new sugar mill. It is going to produce ethanol and you know you have a market for it, and you have a guaranteed price because it is backed up by petrol prices throughout the world. It is a dwindling resource and will constantly increase in price. You know you have a beautiful lay-down misere investment here. Say the investment is in the dam and the delivery canal. Maybe we do not grow ethanol; we grow something else. But the government is in the position to be able to guarantee that sort of investment within reason.

I sit beneath a picture of the great Jack McEwen. He had many great sayings, but the one I liked best was that government is about getting it right and education is no replacement for hard work in getting it right. Sir Leo Hielscher put in time and effort and energy, and all those bridges across the Brisbane River are named after him. He was a very great man. He took risks as the Secretary of Treasury in Queensland with his
advice to the government. There were the risks that men like Bjelke-Petersen and Ron Camm took. We are yielding the benefit of those to this very day. For the last 30 years the economy of this nation has been carried by the coal industry and the aluminium industry and they were both put there by huge risks being taken in investment. Sir Leo Hielscher was offered the Reserve Bank three times and offered the World Bank position once. He said: 'We did not really take a risk. We always knew that the aluminium would come. We always knew that we would be able to sell coal to Japan.' He could say that afterwards, but at the time I am sure he was sweating a little. We have this huge resource of the $23,000 million. Why are we giving a free kick to every foreign corporation? I am very pleased to see the Treasurer moving today to take some of that money back. Mistakes have been made in the past. One of the ways of rectifying that is to get some of that money back through measures like the one he is moving tonight. I will be backing it even though I think we should all listen to what the shadow Treasurer said this evening as well.

Mr TONY SMITH (Casey) (18:59): In speaking on the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 and the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012 it is, as the shadow Treasurer said, a bit like groundhog day. The substance of these bills was included in separate tax law amendment bills last week. Those changes, which see a doubling of the relevant withholding tax from 7½ to 15 per cent, were announced suddenly on budget night. As the shadow Treasurer said, a bit like groundhog day. The substance of these bills was included in separate tax law amendment bills last week. Those changes, which see a doubling of the relevant withholding tax from 7½ to 15 per cent, were announced suddenly on budget night. As the shadow Treasurer quite rightly pointed out, in so many respects this tax legislation before the House—yet again, as it turns out—sums up so much about the incompetence of this government, and not just on taxation policy. It really encapsulates and symbolises the government's failure to govern, and how its incompetence, at so many levels, creates a lack of confidence in the investment community. It leverages sovereign risk, as the shadow Treasurer so rightly said, and these tax bills really sum it up, on the second anniversary of the government's sudden change of Prime Minister.

It is worth recounting some of the history on this as a window into the damage the government's approach on taxation matters is doing, specifically with regard to these bills. As I pointed out last week, four years ago in June 2008 the government legislated with great fanfare that it was reducing the relevant tax rate in this legislation down to 7½ per cent. That had been announced in Labor's first budget, and following the then Assistant Treasurer, the member for Prospect, speaker after speaker on the other side lauded the reduction to 7½ per cent and pointed out that the reduction was designed to send a signal to international investors.

Of course, it follows that the sudden decision to double to 15 per cent the relevant rate also sends a signal. It sends a signal that this government cannot be trusted on matters of tax. This is the government that four years ago made so much of reducing the rate to 7½ per cent and then suddenly, in the budget, doubled that rate. The signal it sends is that this a government that cannot be trusted. This is a government that will chop and change. This is a government, as we have seen, that will say before an election, 'There will be no carbon tax under the government it leads,' to paraphrase, and after the election introduces one. This is a government that out of the blue produces a mining tax.

The message overseas, with the Labor government in Australia pricing our investment, is that investors must now take
into account that taxes will increase suddenly. In luring investment here by sending that signal, which those opposite spoke so proudly about four years ago, it will have a retrospective effect. But on top of that it also has the effect of saying there is a sovereign risk of sudden changes. We do not need to take my word or the word of the shadow Treasurer on this matter. As I outlined in the debate last week, there are so many leaders in their fields representing international investors who made this very point just after the budget. We have had those statements quoted in this House about how very directly indeed the government's decision meant that investors would think twice in the future about the sorts of investments they made.

Just last Friday respected commentator Jennifer Hewett, from the Australian Financial Review, made this very point. Jennifer Hewett summed up so many of the quotes that had been put into the debate through the course of last week when she wrote:

Labor has developed an unenviable reputation for its willingness to change tax rates and structures for investments.

This completely undercuts faith in the permanence of reforms that do occur …

My friend and colleague the member for Wright, who will speak after me, knows that of all the quotes that members of this side, including myself, put forward, those statements by Jennifer Hewett in the Australian Financial Review last Friday sum up the words and the sentiment of the reaction. What it says is if you send a signal by reducing the rate to 7½ per cent you surely send an opposite signal by doubling it. You surely send a signal that when it comes to investment in Australia sudden tax changes are the order of the day. The shadow Treasurer rightly referred to the events of last week and I want to refer to them, too, because the way the government has gone about the doubling of this tax also leverages uncertainty. Suddenly, in the budget, as I said earlier in my contribution, the government doubled the rate to 15 per cent. Then we had the tax law amendment bill last week that included in, from memory, schedule 4 the very measure we are debating now. But without any announcement whatsoever the government tabled an amendment to simply delete that schedule. As the shadow Treasurer rightly pointed out, the initial reaction from industry was: 'They must have backed down. They must have seen sense.' That was the reaction from industry and some of the people the shadow Treasurer quoted. But, of course, the real point is that there was not any word from the government. There was no announcement from the Treasurer or the Assistant Treasurer—not only was there no announcement; there was no explanation at all.

The debate in Hansard of, I think, last Wednesday sums up the chaos that afflicts this government when it comes to taxation policy. You had an amendment before the House during the debate—let me give them a little wiggle room; maybe it was a minute or two before the debate began—but no announcement, just an amendment to delete the schedule that would give effect to what had been announced on budget night. When it came to the summing up and the consideration in detail of the bill, in concluding his five-minute speech the shadow Treasurer asked the Assistant Treasurer on three separate occasions, three times in a row, what the position was. It was greeted by silence. The Assistant Treasurer was absolutely mute. Here was a minister of the Crown in here handling legislation where an amendment to strip out a fundamental budget announcement is moved and not only
is there no public announcement; there is no parliamentary justification—not a word.

Those actions of the Assistant Treasurer will stand as a symbol of this government's arrogance and incompetence. I am not quite sure what the balance was, but it was only after the third occasion—I think when the shadow minister for finance spoke during consideration in detail—that, finally, the Assistant Treasurer would say that there would be a separate piece of legislation. It was barely audible in this House. And so it was on the very next day, the last sitting day of last week, that this legislation we are debating today was introduced.

This reeks of chaos in the decision making in the government. They cut a tax to 7½ per cent; they double it to 15 per cent in the budget, with all the signals that sends. They decide they are going to strip it out of a TLA bill and put it as a stand-alone measure and they cannot even communicate it. I was thinking perhaps the Assistant Treasurer really did not know what was happening or why, but in parliamentary debate—and I have witnessed quite a bit of it—I have never seen such a spectacle.

It might surprise you, Mr Deputy Speaker, to hear me saying this, but I do not mind saying it. There are those opposite who follow these matters at a technical level pretty closely on the back bench. To be a backbencher and watch that spectacle must have been very frustrating because it was nothing short of a disgrace for decision making on the part of this government. It is, as the shadow Treasurer rightly pointed out at the beginning of this debate, a symbol of so much that is wrong with this government.

When this debate is over, every member on that side who was elected or re-elected in 2007 will be able to say that they voted to decrease the tax and they voted to increase the tax. That is what they will be able to do. The actions of the Assistant Treasurer last week do sum up the government's failure on tax. It is no wonder that the incompetence and the chopping and changing that is on display directly leverage the sort of uncertainty and sovereign risk that have been spoken about in this debate.

Mr BUCHHOLZ (Wright) (19:14): I rise to speak on the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 and the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012. This bill epitomises the performance of this government in this parliament. This bill has had more starts than Black Caviar. It is like going to the tennis. I watched the women's tennis semi-final at Rafter Stadium last year. Watching this bill come in, go out, come in, go out, come in, go out is nothing short of a tennis match. I know deep in my heart that members opposite, members of this government, are embarrassed about the way this bill has been managed through this House—they must be, because there are a lot of things to be embarrassed about. Not only are we embarrassed by the way the government has conducted the transition of this bill through the House; when we speak in this House it is not just a local audience but a national and global audience. When a bill comes before the House that speaks to managed investment trusts and the imposition of tax on companies choosing to invest in this nation, it is a matter of national importance and a matter of sovereign risk.

The Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012 amends the managed investment trust final withholding tax from 7.5 per cent to 15 per cent on payments made in relation to income years commencing after 1 July 2012. There is one thing we can be thankful for: there is not an element of retrospectivity associated with this bill, as there are for
many other pieces of legislation that come before this house. We can at least be thankful for that.

Schedule 1 to the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 makes consequential amendments to the Taxation Administration Act 1953 to give effect to the increase in the consequential MIT final withholding tax rate imposed by the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012. According to the budget, it is expected to generate approximately $260 million in revenue over the forward estimates. I suspect that the only reason we are having this debate is because of the $260 million this bill is forecasted to bring in.

During this debate I will bring evidence from the financial sector of this nation that says this government is prepared to blow-off $1 billion in lost revenue—flighted international revenue that would have come to this nation—to pick up $260 million. How does that work? The government are starting to make financial decisions because their political survival is so thinly strung that we have a forecasted $1.5 billion surplus. Their political decisions are built around that figure. This $260 million helps in generating that revenue, but in order to do it they are prepared to sacrifice $1 billion worth of revenue—and I will tell you who said that.

The MIT final withholding tax rate of 15 per cent will apply to fund payments made in relation to income years commencing on or after 1 July 2012. That seems like a special memorial date for this government. As we all know, the world’s largest carbon tax kicks off on that date. We have the start of the investment withdrawal in Australia and yet another tax that will have a snowballing effect on investment and increase our exposure to sovereign risk. We have a two-tiered economy at the moment: we have the resources sector, which is considerably strong, and we have another sector of the community, including the electorate of Wright, which has no linkages into the resources sector. Economics 101 tells us that when you are trying to stimulate an economy there are two things that you do: decrease tax and increase government spending. We have got the increased government spending; we can go through the myriad wasteful spending activities that this government has participated in. We were supposed to see a reduction in a tax rate, and I believe that was the reduction in the company tax rate from 30 per cent to 29 per cent. That is like going to the tennis semifinals as well: it is in and out and in again and out again depending on where the polls are at the moment.

We recently had the Prime Minister up in Queensland telling business leaders they should be out there talking up the economy and saying how well things are going. When you walk up and down the streets of Beaudesert, when you walk up and down the streets of Gatton, which is predominantly a farming and rural precinct, or when you get up into the tourism sector of Mount Tamborine in my electorate, these people are doing it extremely tough. I forecast tonight that we are going to see double-digit figures of businesses exiting the market. If you want to get into a booming business at the moment, go and get yourself some shares in some receivables businesses or some administrators because they will be going gangbusters as result of some of this government’s policies.

In 2008, when Labor previously reduced the withholding tax progressively from 30 per cent to 7.5 per cent the coalition did not oppose the relevant bill. We did not oppose it because it was done in an orderly fashion. We sent messages to the market in an orderly fashion and said that it would be staged
down. We have this wake-up-and-get-out-of-bed type haphazard approach of saying: 'Today we might just double the withholding tax rate; that is a good idea, because we have run out of ideas.' As a government, they have run out of ideas. However, at the time, we did express concern that it was not a genuine reduction for international taxpayers because of the operational double taxation agreements, and any reduction in taxation paid in Australia may simply have led to higher taxes being paid to other jurisdictions.

At the time, the coalition also expressed concerns that the bill had not been subject to proper scrutiny as Labor had not allowed the bill to be considered by the Senate Economics Committee, that Labor's costings of the measures would be dubious and that Labor's recent retrospective tax grabs, reduce international investor confidence and elevate concerns about Australia's sovereign risk profile?

I sit on the House of Representatives Standing Committee on Economics, and it was interesting to hear from industry and the private sector about their concerns with the proposed legislative changes. Treasury indicated it expected little negative influence on investment flows from the increase. This position was vigorously rejected by industry, and I will quote from the Hansard transcript of the inquiry.

But before I do that, how often do we see that happen, where we have Treasury come out with a position or a forecast and industry vigorously rejecting or opposing it? We do not have to look too much further than last year's forecast of what this deficit was going to be. Back before the last budget I think we had a forecast for this budget in the vicinity of $10 billion. Six months later and we are looking at a figure of $22.7 billion! This is from the same department—virtually double within a six-month period. And when the recent MYEFO documents came out it bounced out to $37 billion. This is Treasury, contrasting, again, with industry, which goes to the credibility of all forecasting. Of course, who knows what the budget deficit is going to end up at? I think it is going to be in the vicinity of $44 billion, but with this government cooking the books and trying to bring expenditure back from next year into this, who knows?

I opened my comments by saying that this bill was similar to Makybe Diva. I wouldn't be putting a punt on whichever figure—

**Mr Snowdon:** You've changed horses!

**Mr BUCHHOLZ:** I have changed horses. Before I digressed, I was looking at conflicting views between Treasury and the industry. This is an exchange between Anthony McDonald of Treasury and Peter Verwer, Chief Executive, Property Council of Australia:

Mr McDonald: I am not aware; there probably would be. But in this instance, to the extent that we would have allowed for any reduction in this sector as a result of the budget measure, it would be fairly minimal.

Fairly minimal? For a $260 million pick-up in tax revenue? I ask you: how do you quantify what is 'fairly minimal'? He went on to say:

That I know might sound strange to those directly involved in the sector because we are looking at the net impact across the economy rather than just the impact in the sector.

So, don't look at it across the sector; look at it across the whole GDP. It is similar to what the government does with reference to rationalising its debt ratio and saying, 'It's
only seven per cent or only 10 per cent of GDP.' If you take this as a rational comparison against not a number that should have been used as a common denominator but the whole economy, of course it is only minimal. This is the logic that they are using to try to rationalise the irrational. He went on to say:

Again, if we are looking at financial flows there would be a greater reduction in the flows that occur through managed investment trusts but what we are interested in is what happens to the aggregate base and that is a different thing.

Mr Verwer: The question was: where would that extra money come from in order to ensure that the aggregate basis remained in alignment? We are still waiting for the answer.

Mr McDonald: That is part of what being a small, open economy that is engaged in international capital markets with a freely floating exchange rate does.

There were some other comments from Mr Verwer:

In fact, these foreign investors have said to us quite clearly that some of them had already pulled out because we no longer meet their hurdle rate—

it did not take long to do the sums; others said that they have frozen the negotiations.

To support those comments I draw your attention to the Hansard of the Economics Committee and questioning of Mr Martin Codina from the Financial Services Council. The member for Throsby asked him:

Is there any evidence for that flight of capital occurring?

That is, as a result of this legislation. This is where the $1 billion comes in. Mr Codina said:

There is absolute evidence of that. Collectively we have quantified in excess of $1 billion, some of which has been made public and some of which is highly sensitive, because of the nature of the foreign investors. In some cases you have sovereign funds—in other words, it would be akin to a foreign government being critical of the Australian government as a consequence of the change.

Why am I only hearing about this in Economics Committee hearings where the Financial Services Council of Australia is giving evidence? Why weren't these opinions sought in the consultation process? Why weren't these people consulted? When you talk to Treasury they always open up with, 'We've consulted with the industry; we've consulted with everyone; we've consulted this to death.' Mr Codina later went on to say:

Let me put it this way. We were disappointed that we were not consulted prior to the announcement being made on budget night. Since this government came into office in 2007, we have issued something like 10 media releases which were supportive of subsequent changes that have been made, either to our tax system or regulatory-wise, that essentially had their origins in the Johnson review. We were one of the leading participants in the Johnson review, involved in much of the work that was conducted there. So I guess all I can say is it did come as a surprise, as an organisation that is actively involved in assisting the government in this area, that the announcement was made without any prior consultation.

Why would a government not consult with major stakeholders on such a sensitive bill that has the capacity to generate $1 billion of flight in capital from this nation? I will tell you why. To save the budget bottom line—I can think of no other reason—of a measly $260 million.

The government's constant chopping and changing in relation to the MIT withholding tax has yet again reduced our predictability in the eyes of international investors. If passed, this bill would undermine Australia's objective of becoming a regional financial services hub in the Asia-Pacific region. Attracting more foreign investment is important to achieve stronger economic growth which would lead to increased
government revenue without the need for many new or increased taxes. Industry was barely consulted; the Australian people are rarely consulted; and the coalition remains opposed to this bill. (Time expired)

Mr BANDT (Melbourne) (19:29): I rise on behalf of the Australian Greens to raise a specific concern with this bill, the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012—that is, the potential impacts of the bill on investment in low-carbon and renewable energy projects. It does not appear from the terms of the bill that it would have a particular impact on this area, but there have been some significant representations made by many in the sector that the current arrangements have been attractive to those overseas funds that are particularly interested in investing in areas where there might be higher ethical and sustainability standards than one might find in an ordinary investment.

The Australian Greens have received a letter from the Green Building Council of Australia, and I would like, if I might, to relate a couple of the points it makes. The chief executive, Ms Romilly Madew, and the executive director of advocacy, Mr Robin Mellon, make the point that:

The current withholding tax rate of 7.5 per cent has supported Australia's economic growth by encouraging investments in commercial property construction and critical infrastructure including low-carbon and renewable energy projects. The Property Council of Australia has identified that a priority of foreign investors, attracted by the lower withholding tax rate, has been high-grade buildings with strong green credentials.

They give some examples and then go on to say:
The Green Building Council of Australia supports any initiatives, programs or campaigns that encourage Australia's green building and sustainable community industry. The PCA research indicates that the increase in the WHT rate is likely to harm investment into Australia's green building future. The GBCA urges the government to reconsider this action and examine the advantages and disadvantages, as well as the direct and indirect impacts on stakeholders, more closely.

We have been involved in some discussions over recent weeks, and these concerns remain unallayed for us. The Greens still have concerns that this bill might have a disproportionate impact on low-carbon and renewable energy projects. Senator Christine Milne, who is responsible for speaking on behalf of the Greens on Treasury matters, is taking carriage of this matter will not stand in the way of the bill passing through the House, but we are not yet in a position to give support for the passage of this bill in the Senate. Our concerns remain very real and have not yet been resolved. We understand that the government has set a self-imposed time line for getting this legislation through. On behalf of the Greens I can say that that may be the government's view but our concerns are yet to be resolved. On that basis, we will not stand in the way of its passage through the House, but that is without prejudice to the position we might take in the Senate. We feel that we have very clearly put on notice the concerns we want to see addressed.


Since 2 May, the government has had more positions on the MIT withholding tax rate, and attracting investment, than I can count on one hand. The history is simply this: on 2 May, Minister Ferguson launched the Australian 'open for investment' campaign, designed to attract offshore investment in the 80 shovel-ready projects in
Australia. Less than a week later, on 8 May, the budget was handed down, announcing the MIT would go from 7½ per cent to 15 per cent—effectively undermining the Australia 'open for investment' campaign.

On the evening of 9 May, 2012, Minister Ferguson told the National Tourism Alliance at an industry gathering that he appreciated there were people in the room who were unhappy but that his job was to defend the government, so he would defend the government. On 20 May, Minister Ferguson failed to appear in the House to defend the MIT withholding tax increase that he said he would defend at the NTA.

On 20 June, the government amended its own bill to take out the doubling of the MIT withholding tax rate. On 21 June, the very next day, the government reintroduced its own MIT withholding tax bill in exactly the same form to again raise the tax from 7½ per cent to 15 per cent—proving the often-made point that Labor cannot stick to a policy from lunchtime to Lateline. I note on the speakers list that Minister Ferguson is not going to come into this House and defend his government's decision to lift the MIT withholding tax rate which is effectively knocking over his campaign program for those 80 shovel-ready projects.

It is no wonder there is a crisis in confidence in the tourism industry. It appears that the government does not understand that international capital is very fluid and will flow wherever the best opportunity and returns are. I have to wonder what the Independents' price was when they sold out to approve this measure. I have just heard a member of the Greens say they are going to pass this bill in the House but reserve their opinion in the Senate. The place to block this bill is here and now, because it would not be back on the agenda without their support. If the Independents and the Greens support this legislation they will have gone from hero to zero in the tourism industry's opinion in a matter of days.

This measure will combine with nine other measures in the budget that will undermine the government's 2020 Tourism Industry Potential strategy, which was publicly released in November 2010. That strategy—or flyer, as some in the industry call it, given its lack of detail—has outlined an ambitious set of goals to promote the long-term, sustainable growth of the Australian tourism industry. According to Tourism Australia, realising this potential would mean 'doubling overnight expenditure for Australia's tourism industry, from $70 billion to as much as $140 billion by 2020.' It would increase tourism's contribution to the GDP to up to three per cent in 2020 and increase tax revenue from tourism from $9.3 billion in 2009 to as high as $14.5 billion in 2020. The carbon tax alone makes this goal relatively unachievable. Taxing new hotel developments makes those goals even more impossible. In conceding the tourism industry's victory against Labor's departure-tax cash-grab, the government might have opted to repair some of the bridges along with other tourism infrastructure. Instead, it announced a reduction to the Asia Marketing Fund from $61 million to $48.5 million—that was in a press release that was hidden quietly on the Treasurer's website—and that was a payback for forcing government to back down on a budget measure. Such a childish response only adds to the chorus of calls for a grown-up government to get Australia back on track. The regional tourism infrastructure fund announced: firstly, has effectively reduced the Asia Marketing Fund from $61 million to $48.5 million—that was in a press release that was hidden quietly on the Treasurer's website—and that was a payback for forcing government to back down on a budget measure. Such a childish response only adds to the chorus of calls for a grown-up government to get Australia back on track. The regional tourism infrastructure fund announced: firstly, has effectively reduced the Asia Marketing Fund by $12½ million; secondly, returns the industry the $11.5 million previously cut from Labor's first budget in 2008-09; and, thirdly, offers no detailed plan to deliver on
either tourism demand drivers or tourism supporting infrastructure.

The tourism sector did not take lightly its huge step in launching full-blown advertising campaigns against the government in recent weeks. It did so to protect jobs and is looking forward to building what should be a normal relationship of mutual trust, full disclosure and, importantly, genuine consultation. It reflects well on tourism bodies that they did not respond to the petty slap of a reduced Asia Marketing Fund as a consequence of the government's reduced departure tax revenue. The sector might have highlighted that the government could easily have kept the Asia Marketing Fund intact since this investment was only 10 per cent of the projected revenue in the first place.

Yet this should not be confused with the tourism industry taking the hotel investments tax lying down. This is a vital issue for the tourism industry and the government's own words reinforce the point. Eleven months ago, the now former minister for tourism, the Hon. Nick Sherry, told industry leaders:

The sad fact is that much of Australia's accommodation is outmoded and outdated and Chinese visitors in particular … are used to very modern facilities in their own country. There is a great challenge in tourism to invest in the modernisation of facilities.

In the same meeting he said that we need to see an increase in investment to realise the potential, and added that the country would need between 40,000 and 70,000 additional hotel rooms by 2020 to cope with projected demand.

Individuals and trusts base their decisions on statements like these and like the twice-yearly releases from Australia's independent Tourism Forecasting Committee. Smart investors will always weigh potential returns with risk, and they look to the government to manage the economy according to a plan. This gives hotel investors confidence to sign on for the long-term investments in hotel developments that are typically delivered over a 10-year cycle.

In last week's debate I read into the Hansard the views of Tourism Accommodation Australia, the Tourism and Transport Forum and the Australian Federation of Travel Agents, amongst others. It would benefit the House to reflect today on the prebudget submission by the Accommodation Association of Australia, delivered well in advance of the budget—in fact, it was delivered the day after Australia Day in 2012. They say in their submission:

32. While accommodation rooms within Australia are, by and large, of a high standard in comparison to other countries, continual refurbishment is required for businesses and the broader industry for it to remain globally competitive.

33. The stagnation in the number of overseas visitor arrivals in the second half of the last decade, together with the drop in domestic tourism has created a difficult trading environment for accommodation businesses, notably those in locations outside Australia’s capital cities.

34. The returns for many investors in accommodation businesses have not been adequate enough for them to make major commitments to capital expenditure on upgrading existing rooms and other parts of their businesses (restaurants, function rooms, meeting/convention space, leisure facilities).

That was the AAA prebudget submission dated 27 January 2012, so the government is aware of these issues.

Credit should be given to Minister Ferguson in delivering a prospectus of unfunded hotel investments. It is no silver bullet for tourism investment, and it is useless unless matched by other government policies that work in the same direction. I welcomed the prospectus as a 'good first step to restoring tourism infrastructure' when it was announced on 2 May 2012. Yet it only
took the government six days to undermine this potentially effective measure with plans to double hotel investment tax, and today they replicate that action. This confused and incoherent approach highlights a dysfunctional government with portfolios not delivering a whole-of-government approach. Otherwise, why would you launch a policy based on a 7 1/2 per cent tax, a week ahead of the government, in its own budget, increasing that tax to 15 per cent? It flies in the face of logic, reasoning and, in particular, investor confidence.

We were all reminded of this last week when the government withdrew its hotel investment tax and reintroduced its bill the next day in exactly the same form. I say to you, Mr Deputy Speaker Scott: what sort of message does this send to potential investors? The opportunity for crossbenchers to deliver stability and certainty comes tonight with these very bills. In supporting the coalition's opposition to automatic CPI indexation of the departure tax last week, the Independents helped make Australia a more attractive tourism destination, to the tune of $125 million a year, and that is according to the government's figures. Yet fixing this demand challenge is pointless unless matched by a commitment to fix the supply-side challenges. And according to all of the tourism and accommodation sector peak bodies, the managed investment trust cash-grab is a key test for minority government to act responsibly.

Despite the government's own vacillation undermining investor confidence, the Property Council of Australia has indicated that the only hope Australia has for maintaining its reputation as a safe place to invest is for the parliament to firm its resolve and reject this bill. Independents cannot walk away from their responsibilities to regional tourism on the basis of an exaggerated regional assistance package, for this small amount of money will be spent in a meaningful way. It is vital to achieve the right mix of demand driver and supporting infrastructure allocations. Examples of demand drivers might be the Tasmanian Parks and Wildlife Service's Three Capes Track, or the redevelopment of the Tasmanian Museum and Art Gallery. Supporting infrastructure is the transport and accommodation you would use when going to see a tourist attraction, like the Spirit of Tasmania, or the Old Woolstore Apartment Hotel—something I thought the member for Bandt might be interested in. However, the money is allocated, Independents should demand accountability, planning, and an outcomes focus. As I write this, I think of the Clump Point marina and the jetty at Dunk Island—still in a state of disrepair 18 months after Cyclone Yasi, despite our Prime Minister approving money to fix this infrastructure.

I seek leave to table a photograph of the jetty at Dunk Island, still in a state of disrepair some two years after it was damaged by Cyclone Yasi.

Leave granted.

Mr BALDWIN: There are quite literally thousands of Australian restaurants, motels, hotels and other businesses that have not spruced up their properties since the Australian dollar approached parity with the US in 2008. With fewer customers comes less profit to reinvest in hotel upgrades to stay competitive with other markets. The crisis in both consumer and investor confidence in Australian tourism is not all because of unfortunate realities like the sluggish economic performance of our traditional markets, the high Australian dollar or natural disasters; it is also because of perfectly avoidable policies that damage tourism. The standout example, of course, is the world's largest carbon tax, which will
make foreign destinations even more attractive to tourists and diminish even further returns on hotel investments.

Like potential investors, Independents must weigh the totality of government policy affecting returns on investment here compared to overseas. Doubling hotel investment tax will affect investment decisions yet so will the other nine budget measures that will damage the tourism industry. Australia should seek to grow tourism and enjoy the benefits that flow from higher employment, a diversified economy and improved ties with other nations. Overtaxing tourism will stunt this growth and is short-sighted in the extreme. For tourism there is no greater challenge facing the minority government than repairing the damage already done to investor confidence in this afternoon's debate.

So if the Independents who support the coalition and, more importantly, the industry in knocking over the CPI increases in the PMC want to remain the pin-up boys of the tourism industry then I say this to them: oppose this legislation, which will directly affect investment in your seats. It will directly destroy confidence in investment in Australia. It will destroy the concept that this is a good sovereign nation to invest in. And, importantly, think about your own electorate. Think about the employment figures in your own electorate. Think about how this investment could be placed in your electorate and you can take part in the journey.

By supporting this government, I say to them—and if indeed they do support this bill; the member for Bandt has already indicated that he will be supporting this bill in this House—at what price have you sold out your electorate? If you stood up for the tourism industry you would not be selling out the tourism industry, and those workers and those investors— (Time expired)

Mrs PRENTICE (Ryan) (19:48): I rise to speak on the Tax Laws Amendment (Managed Investment Trusts Withholding Tax) Bill 2012 and associated bill. This bill is once again before the House. As bill after bill is introduced into this House, the Australian community continues to be let down by this Gillard Labor government, which refuses to listen and refuses to consult. Just last week, the government decided to withdraw the bill before a vote. The coalition believed that finally the Gillard Labor government had woken up to reason and that the Gillard Labor government had finally listened to concerns in industry and the community. I thought at least that they had noticed the immovable outrage pouring from the financial, property and tourism industries about the measures in these bills. Yet here we are again debating bills which, if passed, will be another direct attack on the Australian economy.

I welcomed the decision not to pass the tax increase last week—a tacit admission that the government had not thought through their policy and an admission by the Gillard Labor government that they were completely wrong to introduce this measure in the first place. Their delay is yet another concerning sign that this government continues to develop policy on the run.

This scattered and confused approach does not, as they say, inspire consumer confidence. It was reported last week by Dun and Bradstreet that three-quarters of Australians are expressing concern about their financial situation and one in three Australians say they would be unable to cover basic expenses for longer than a few weeks if faced with sudden unemployment. As a result, consumers are saving. They are not spending, which poses significant risks for industries including construction and retail. Nor does this government encourage business confidence. Their incessant
incompetence and their proclivity for new and increased taxes sends a signal to the international business community that Australia is not a good place in which to invest money.

Today's increase to the managed investment trust withholding tax is yet another attack on business confidence. The Gillard government, on a whim, has decided that it will increase the withholding rate from 7.5 per cent to 15 per cent—double. This increase makes investment in Australia less viable and directly undermines the aim of maintaining our economic resilience and boosting Australia's international reputation as a financial services hub in our region. This increase directly contravenes the words of the current Assistant Treasurer, the member for Lindsay, when he said in 2008:

If we are to be internationally competitive then ... we must have rates of taxation that are amongst the lowest in the world.

The Assistant Treasurer should heed his own advice, because this tax increase does make us less internationally competitive and it does makes foreign investment, using the MIT structure, less attractive. This policy translates to a disincentive for foreigners to invest in Australian infrastructure. Make no mistake: this move will damage Australia's reputation and will hurt our economy. Indeed, according to the Property Council of Australia, more than $1 billion of planned foreign investment has already been affected.

Maintaining the 7.5 per cent tax rate is important because it is of fundamental importance to attract foreign investors to invest in key Australian infrastructure. In particular, many institutional investors such as pension funds and sovereign wealth funds use the MIT structure to invest because they are specifically the types of organisations which are looking much longer into the future and have the capacity to invest billions of dollars in infrastructure projects which may not see a return for many years. They invest in the construction of buildings like electricity generation facilities, hotels and tourism facilities, hospitals, motorways and toll roads, green buildings, and other carbon dioxide abatement programs. Sometimes these projects require decades-long commitment to keeping their investment money in Australia. It is important to note that not only are these facilities crucial to the long-term benefit of the Australian economy but those institutional and pension fund investors are exactly the type of reliable and respected investors we can trust to stay here.

It has been only 48 days since the Treasurer delivered his budget—the budget of smoke and mirrors, broken promises and direct attacks on the fiscal bottom line of all Australians. After the Gillard government's apparent decision to drop the proposed increase in the managed investment trust withholding tax last week, we now have the fourth proposed change to a budget measure. The Treasurer announced that the government would be dumping their proposed company tax cuts, yet has more recently said they are now back on the table. The Treasurer also said that the government would be dumping their proposed company tax cuts, yet has more recently said they are now back on the table. The Treasurer also said that the government would be dumping their proposed company tax cuts, yet has more recently said they are now back on the table.

Fortunately, the government backflipped and dumped the CPI increases that they had previously said were part of the budget. Last week we saw the dumping of the MIT withholding tax increase, and today—lo and behold—it's reintroduction. As the Australian Financial Review reported today, the property and finance industries were shocked when this proposal was first put forward. Yet it is not a surprise that the Gillard Labor government is still going through with this policy. We have a government which time
and time again refuses to conduct a thorough cost-benefit analysis on any of their bills. Yet here they are today, coming out and blasting an independent report compiled by the Allen Consulting Group.

And this report is damning. It highlights that the attempt to increase government revenue in the short term will raise $35 million but will be accompanied by a decline of $30 million in gross domestic product. This increase in federal government revenue will also be accompanied by a decrease in collections by state governments, which will further affect the financial viability of states like Queensland, still trying to overcome decades of poor and reckless financial mismanagement by state Labor governments.

Australians and international investors do not just want responsible economic management—they deserve responsible economic management. They want consistency in government and they want a government that will tell the truth, that will do what it says, and that will not expose this country to sovereign risk. The shadow Treasurer, the member for North Sydney, persistently reminds the Gillard Labor government that so much of their legislation is exposing Australia to sovereign risk. And what is the usual response from government ministers? It is to bury their heads in the sand and pretend that nothing bad is happening. They pretend that somehow the policies they introduce into this House will not act as a disincentive for foreign investment, despite it being the express intention of the Treasurer to come up with short-term bandaid fixes to cover up his gross economic mismanagement.

This toxic government can hide all they want from the concerns of Australians and Australian families, and pretend that they are not doing the best they can to wreck the long-term viability of the Australian economy, but the truth about the Treasurer's smoke and mirrors surplus will be revealed later this year in the Mid-Year Economic and Fiscal Outlook. Behind closed doors, the government provided a so-called protected briefing for senior public servants which reportedly forecast 'turbulence and disruption' in the Australian economy as a result of volatility in Europe and the United States. The Prime Minister and the Deputy Treasurer have the gall to come into this House with their never-ending accusations of negativity from the Leader of the Opposition and the shadow Treasurer—as if we are the ones who are introducing poorly designed legislation, as the Gillard government does so often.

Is it mindless negativity from Mr Ivan Glasenberg, Chief Executive Officer of one of the largest commodity trading companies in the world, who said, 'We are getting greater business certainty out of Congo than we are getting out of Australia'? Is it mindless negativity when Mr Marius Kloppers, CEO of BHP Billiton, says, 'Australia is risking foreign direct investment'? Is it mindless negativity when Steve McCann, Group CEO and Managing Director of Lend Lease, says, 'Foreign capital is very important in funding large nation building projects; the country's largest real estate and infrastructure projects can't be funded, even by the biggest Australian superannuation funds; it will be the competitiveness of our industry that will suffer'?

And was it mindless negativity when Mr David Denison of the Canada Pension Plan Investment Board said on 15 May this year: Australia’s budget … doubled the tax burden on our real estate and infrastructure holdings in that country. It cannot be expressed in plainer language than that. He said that increasing the risk of investing in Australia calls into question the
predictability and stability of cash flows, and if the risk of investing in Australia becomes too high then their response would be very quick and rational—they would simply stop investing in Australia.

The coalition, as the opposition, must hold this Labor-Greens coalition government to account, because we know that members on the other side of the House do not know what they are doing and do not fully consider the planned and unplanned consequences of their policies. Their answer to political instability and to a minority government is not to reassess their policies or to recognise and acknowledge when they do not have the details correct. They do not change policy; they simply change leader and swap around their ministerial titles. We recently observed the two-year anniversary of when Prime Minister Gillard and the faceless men of the ALP betrayed the trust and the will of the Australian people.

What did the sacking of Prime Minister Rudd achieve? Nothing. We will soon have, from 1 July, the world's only economy-wide carbon tax that is hundreds of per cent higher than the average carbon trading price, a tax that will do nothing for the global environment. We will soon have the economically destructive minerals resource rent tax. We will soon witness a 17 per cent increase in the passenger movement charge, which directly threatens Australia's $73.3 billion tourism industry. These taxes, increased by the Labor government, have been enforced without any rational explanation. This year's budget was clearly just another ploy in the Gillard government's desperate attempt to try to achieve a paper-thin surplus—no matter the consequences for local industry.

This is a government that give on the one hand and take on the other. They introduce a tax on carbon dioxide, increasing the cost of living for all Australians, and pretend that out of the kindness of their self-righteous hearts they are giving cash to you to ease cost-of-living pressures. They claim on the one hand that they are supporters of the industry, but on the other hand they turn around and make it as difficult as they can for industry to survive and prosper.

The Leader of the Opposition noted in his budget reply on 10 May that there is nothing wrong with this country that a change of government cannot fix. Today my message to Australian industry is: only the coalition has the economic credentials to help business survive and prosper. The coalition is committed to lower taxes, to helping attract investment in critical infrastructure—

The DEPUTY SPEAKER (Hon. BC Scott): Order! The debate is interrupted in accordance with standing order 34. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The member for Ryan will have leave to continue speaking when the debate is resumed.

PRIVATE MEMBERS' BUSINESS
Chinese Australians

Mr ALEXANDER (Bennelong) (20:00): I move:

That this House recognises the:

(1) strong history of Chinese migration to Australia over the past 200 years;

(2) significant contribution that Chinese-Australians have made over this period to our nation;

(3) vibrant festivities and events hosted by the Bennelong Chinese community and enjoyed by people of many cultures; and

(4) unique opportunity for the local Chinese, Korean and broader communities to come together at the Bennelong Cup Table Tennis Test Match for an international table tennis competition against Australia.
This year marks 40 years since the commencement of diplomatic relations between Australia and China, and 209 years since the first record of Chinese migration to the colonies that became our nation. Both of these events provided important milestones in the development of a strong and dynamic interaction between the two nations and the growth of a vibrant community of Chinese Australians that has contributed to all facets of our nation's advancement.

According to the 2011 census, 16.9 per cent of Bennelong residents list Chinese ancestry; just shy of the 17.3 per cent of people who listed their ancestry as Australian. 12.9 per cent of Bennelong residents were born in China or Hong Kong, and 17.2 per cent speak either Cantonese or Mandarin at home—more than six times the national average that now places Mandarin as the most widely spoken non-English language in Australia.

The Bennelong region has flourished from the diversification of cultures around our local community. This is most evident during cultural festivities such as Lunar New Year. Every January and February is a time of colour, dance and song as local streets and shopping centres become hubs of community and cultural celebration. Like many locals at these events, I have been taught to write my name in traditional Chinese characters, to wish people Kun Hei Fat Choy, and to give and receive traditional lollies with blessings of good luck for the year ahead.

Of course, the history of Chinese migration to Australia is not limited to the past 40 years. Whilst historical debate may never sort out fact from fiction on these issues, Chinese books dating back more than 2,000 years are said to describe Indigenous Australians, the boomerang and the presence of kangaroos in the Imperial Palace in Peking; 15th century Ming dynasty statuettes have been discovered around the Gulf of Carpentaria; and some Aboriginal cave paintings on Flinders Island depict ancient Chinese junk ships.

In more recent times, immigration documents recorded a carpenter named Ahuto travelling from China to Australia in 1803, just fifteen years after the first fleet of English convicts set foot on our soil. More is known of Mak Sai Ying, who arrived in 1818 and 11 years later became the publican at the Lion Inn Hotel in Parramatta—the first of many thousands of Chinese Australians to establish successful enterprises and become leaders of local businesses.

The gold rush of the 1850s saw a large spike in Chinese migration, with many Chinese forcibly repatriated during some of the darker days of this legislature under the strict rules of the Immigration Restriction Act. Throughout this time, Chinese Australians have made a significant contribution to our nation. The White City Tennis Centre, with which I have a long history, was originally a Chinese market garden and another still operates in La Perouse after more than a century.

Much of the attention today focuses on the Chinatown precincts in each of the major cities, offering a snapshot of life an ocean away, and tendering shopping and culinary delights to all Australians in a modern form of cultural engagement. Yet with such strong historical ties, this engagement should not be limited to Peking duck and the Lunar New Year. As we share so many of our day-to-day experiences and celebrate the growth of our multicultural society, it is important that from early in life we are encouraged to befriend and interact with people of all cultures.

President Nixon's use of ping-pong as a non-threatening tool to facilitate diplomacy between the United States and China and
enhance cultural ties highlighted the way that sport can be used to great effect. This was something I learned firsthand in my previous career, and in particular on the 5 November 1979, when I participated in the first professional tennis match in China, which received worldwide headlines as another example of improving relations between the Western world and a closed global superpower. I competed against a little known Swedish player by the name of Bjorn Borg and, considering the score line, I was happy to invoke the Chinese slogan: 'Friendship First, Competition Second.' I obviously lost.

We also played an exhibition doubles match alongside China's two leading players in front of some 6,000 people at the Sheng People's Stadium in Canton, and it was telecast to thousands more throughout the region. Prior to the match a Chinese government official told the international media:

Tennis is not that popular in China, but more people are getting interested. I think this match will have a very good influence.

Fast-forward to 2012 and China now boasts a French Open winner, two doubles grand slam tournament winners and an Olympics gold and bronze medal. The Shanghai Masters is now established in China as a major tennis venue, and the China Open goes from strength to strength. This is just an example of the powerful role that sport can play in facilitating interaction and creating the dynamic that breaks down cultural and political barriers and builds bridges between individuals, industries and governments.

In President Nixon's case, it was only one year after the US table tennis team visited that the President himself travelled to China and met with Mao Zedong: an historic moment in global politics that set the stage for the commencement of diplomatic relations between Australia and China shortly after. It was with this in mind that I developed the Bennelong Schools Table Tennis Program.

Shortly after the last election, as I visited local schools in Bennelong, I noticed a troubling pattern. Very few students from an Asian background were participating in traditional Australian sports. Sporting activity is one of the best things an individual, young or old, can do for physical, mental and social health. Different body shapes and cultural upbringing attract an interest and willingness to participate in different activities. As a result, providing access to a range of activities is essential to facilitate the same bridge-building goals achieved at diplomatic levels. With the generosity of Hyundai Australia, the Bennelong Schools Table Tennis Program is donating table tennis tables to every school in the electorate. The sporting competition is then administered by Table Tennis Australia, who will run coaching clinics and schools competitions. Many tables have already been delivered to schools and a number of students have expressed their excitement about competing against their peers and friends.

Later in the year an interschool competition will serve as opening act for the Bennelong Cup test match, featuring the Chinese women's team and Korean men's team competing against Australia. If the score line from last year's test match against Korea is any guide, the same 'Friendship First, Competition Second' slogan will likely be invoked. In order to celebrate their visit, a feature event will take place in the Great Hall, including students from schools throughout the electorate and the Bennelong Schools Choir.

These programs are important reminders of the way that sport can unite people from a diversity of cultural backgrounds, whether...
they are the youngest school kids or the most senior diplomats. The bringing together of China and Korea to compete alongside each other can perpetuate another way that these two nations can associate and cooperate through participation in sport.

Earlier today I spoke with the United States consul general in Sydney to discuss the possibility of the US joining next year in a competition where east meets west, where the great powers of this sport can partner with the more recent adopters to have some fun and provide entertainment for Bennelong's multicultural audience. It is often through the more light-hearted events between distant friends that our similarities, instead of our differences, can achieve some much-needed oxygen. The interaction that follows helps to develop components of a shared history which are then built upon through trade and migration, and progressively bridges are built and the building blocks of understanding, loyalty and trust are developed to ensure an enduring relationship.

I would like to take this opportunity to thank the member for Berowra for agreeing to second this motion. His active friendship with the Chinese Australian community is well documented and he has been a strong and experienced guide for me as we have attended many community events together. I would also like to recognise my colleagues the members for Ryan, Scullin, Chisholm and Canberra who will also be speaking on this issue. I commend this motion to the House.

Mr JENKINS (Scullin) (20:09): The member for Bennelong's motion invites the House to recognise the strong history of Chinese migration to Australia over the past 200 years and the significant contribution that Chinese Australians have made over this period to our nation. That is a very easy thing to support because right from the start, when the Chinese first came to make their way economically, to set up businesses, then through the 1840s to the 1890s to labour in farming pursuits, on plantations and in pursuit of gold, and right through to the present day, they have made a great contribution to the way Australia has developed economically and socially and very much identified with the multicultural society that is Australia.

The member for Bennelong's motion goes on to invite us to recognise the vibrant festivities and events hosted by the Bennelong Chinese community and enjoyed by the people of many cultures. I have not had the pleasure of accepting an invitation to those vibrant festivities and events in Bennelong, but I am sure, if those I attend throughout my electorate of Scullin are any guide, that is also a very easy part of the motion to support.

The member for Bennelong indicated that some 16 per cent of the population of his electorate indicate they have Chinese ancestry. In Scullin it is a mere four per cent, or 5,000 people, who recognise their Chinese heritage as being important to their day-to-day lives. I am indebted to two books written by my friend Arthur 'Boon Wah' Yong. One, which he published in 1999, is called Moon Cake and Meat Pies: the history, art and culture of Chinese settlement in the City of Whittlesea. He followed that up with another one, in 2008, called Chinese Settlement in Whittlesea. As he reflected in his first book, Moon Cake and Meat Pies, if we look at those that identify as Chinese they had in

The DEPUTY SPEAKER (Hon. BC Scott): Is the motion seconded?

Mr Ruddock: I second the motion with a great deal of pleasure and I reserve my right to speak and to further congratulate the member for Bennelong on his excellent presentation.
fact come from different parts of the world. He listed Hong Kong, Malaysia, Singapore, East Timor, Vietnam, the Peoples Republic of China, and you can add Macau and Taiwan. So you can already see from that the contribution the Chinese have made throughout the globe. Therefore, why shouldn't they have made such a significant impact here in Australia?

In the municipality of Whittlesea, the Chinese date back to the 1850s. In Whittlesea township there are still remnants of market gardens operated by a number of families in the township. The waves of migration that have followed have meant that many people with Chinese ancestry have made their homes in the southern suburbs of the city of Whittlesea. Whether they had come in those early days to provide labour and then went on as they got economic independence to become hawkers and set up shops or whether they have come with great qualifications that have added to academe and to the way in which Australia has developed its many professions and ways of producing things through university and territory education, we recognise and should celebrate through this motion the way in which those people have been accepted.

I was interested in the second book by Arthur, Chinese Settlement in Whittlesea, and to reflect on the circumstances outlined in an article that first appeared in Evelyn Observer on Friday, 21 December 1883. It was a report of actions at the Whittlesea police court earlier that month when certain people had been charged with throwing stones and assaulting Ah Hem and Ah Soung, Chinese market gardeners, from Whittlesea. What really intrigued me was not the crime, but the fact that the two Chinese market gardeners appeared before the court accompanied by Mr James Ah Pow, Chinese interpreter, and the Chinese were sworn in through the ‘orthodox fashion by blowing out a lighted lucifer'. When I reflect on the difficulties that have occurred in the acceptance of people from Chinese background later in Australia's history, I find it really something that you can actually celebrate that. In an area that accepted these people because of their hard work, in a court procedure we could also accept something that was traditional to them as people appearing before the court. And, as I have reflected from time to time, I have to express my shame at the way Chinese immigration was prevented by my own political party, but it does show that political parties can learn lessons, can change the way they perceive the value of people that come to Australia, and I think that is important.

The fourth part of the motion invites the House to recognise the unique opportunity for the local Chinese, Korean and broader communities to come together at the Bennelong Cup table tennis test match for an international table tennis competition against Australia. I am happy to support that. I am happy to support that because it represents a continuation of the member for Bennelong's support for table tennis as a relevant recreational and sporting activity for many people in his electorate.

I am also willing to support it because of the reasons the member for Bennelong talked about concerning the strength of ping-pong diplomacy some 40 years ago. I think it is good to remind people of the significance that sport has not only in making sure that young Australians have a direction, that they can see the importance of having disciplines that they can cope with, and that they can interact with people of their own age and with other people, but also to remind people of the power of sport as a geopolitical tool. I think it is a great reminder that we should in a debate like this actually say that there are times when progress is sometimes made in a gentle way by the pursuit of sport, and not
necessarily in the way that Nixon was able to use in his diplomatic efforts with the People's Republic of China at the time.

We should really use the depth and breadth of talent that Chinese Australians represent in also including them in forms of diplomacy that will assist where required because they have a different access to a cultural viewpoint that will assist in making sure that we develop in a diplomatic sense into an even more stable world. We should use our neighbours like the People's Republic of China, and perhaps like Vietnam that has a significant Chinese population, to ensure that people understand from different viewpoints the reasons we pursue the democratic institutions we pursue and be able to live in a world full of peace.

In Arthur's book, *Chinese Settlement in Whittlesea*, he uses a poem that was written by a Chinese immigrant, a person who came to join his daughter in 1998, a very well-qualified person whose wife was a chemical engineer. Both were chemical engineers, highly intelligent with very good qualifications. Since coming to Australia, Jie Ha Wu has used his Chinese culture to open our eyes to calligraphy and to Chinese poems, and on the cover of this book is a poem called *Praise of Australia* in Chinese calligraphy. In the book the poem is translated and I wish to conclude with this poem. It says:

Flying over the equator and the Pacific Ocean from the Northern Hemisphere to the Southern Hemisphere,

The ancient and amazing new continent surrounded by the vast expanse of ocean, the youngest and biggest island country,

Which was founded on democracy and freedom with rich resources and wide territory,

The most and fertile place in the world is Australia.

I think that those sentiments of Chinese Australians are worth following.

**Mr RUDDOCK** (Berowra) (20:20): I want to take this opportunity first to congratulate, if I may, the member for Bennelong. This is an outstanding motion. He gave me some credit, and let me just say I do not think that he needs any tuition.

I see in this resolution the acknowledgement of the strong history of Chinese immigration to Australia over the past 200 years. I relate to that. I was formerly the member for Parramatta and when I saw that Mr Mak Sai Ying came in 1818 and settled in Parramatta, it was significant. He spoke about the significant contribution Chinese Australians have made to this nation over a period of time and I must say that I see that every day through the friends I have, through people I know in commerce, and from the contribution that people make. It is very difficult to single people out, but I look at somebody like Benjamin Chow, whom I know particularly well, who headed up the Council for a Multicultural Australia when I was minister for a time. He has been an example of those Chinese Australians who have made a very significant contribution to this nation.

I know the festivities of the Bennelong Chinese community. I have enjoyed them over many years when they were part of the electorate of Dundas and I look forward to the opportunity of witnessing the Bennelong table tennis match.

I do not know where my family are going to stand in relation to this. I have a daughter who learnt Mandarin at Bei Da, Peking University. She is not the one who has presented the Ruddock family tree with Chinese genes. We also have the Chinese Women's Association, who are currently organising 25 years of service to the Chinese community and the wider community in my
Ms Burke (Chisholm—Deputy Speaker) (20:25): I rise to speak to the motion moved by the member for Bennelong and thank him for bringing it to the House tonight. This is a motion I am most pleased to speak to and support. Australia is a country built on migration. It has been one of this country's greatest sources of strength. Our Chinese community, whether living in Bennelong or in my electorate of Chisholm or elsewhere in Australia makes an enormous contribution to our society and has done so for many years.

For more than 150 years, since the days of the gold rush in the 1850s, Chinese Australians have been an integral part of the Australian way of life, both culturally and economically. Whether as part of the country's first big mining industry or as market gardeners, farm hands, operators of grocery stores, part of import-export businesses, cabinet makers, entrepreneurs or industry leaders, the Chinese community have been the working backbone of this country.

I do not think there is any place in Australia where this is more relevant than in my own electorate of Chisholm, where the influence of the vibrant and active Chinese community is the backbone of our society, particularly in suburbs such as Box Hill and Glen Waverley. Their influence has been profound. As revealed in the 2011 census released last week, my own electorate of Chisholm is home to more than 27,000 Australians of Chinese heritage, just over half of whom were born in China. It is a terrific testament to the quality of life in Australia and the value that we place on the Chinese community that we have such a wonderful mix of not only second- and third-generation Chinese Australians but as many newer migrants as well.

You only have to spend a few minutes in my electorate—going to the shopping centre at Box Hill or Glen Waverley—to appreciate the enormous positive cultural and economic impacts of the Chinese community in 100 different restaurants and cafes, as well as a thriving fruit and vegetable market working alongside a variety of many businesses, be they medical or dental or legal practices, thriving real estate agencies or training colleges. They are all thriving and generating much wealth. There are import-export businesses. The drive and determination of the Chinese community of my electorate is palpable.

Every year this area comes alive, particularly Box Hill, with the community run and supported Chinese New Year celebrations. We are one of the only areas that has a dusk-to-dawn Chinese celebration. I have not quite made it to stay all night yet. I saw dawn in on one occasion which was pretty good going. It is an amazing event and the entire community, not just the Chinese community, embraces this event. It is the biggest cultural event and festival held in my electorate. It is a cultural tradition appreciated not only by the Chinese community; more than 70,000 people can turn up to a Box Hill Chinese New Year festival.

The continued success of these celebrations and the vibrancy of the small business community in my electorate are in part due to the work of the Asian Business Association of Whitehorse who put on the festival, raise a lot of money and donate it...
back to charity. The Asian Business Association of Whitehorse, which has operated for more than a decade, works to provide assistance to the local traders and operates with a connection to the area of the City of Whitehorse as well as broadly across Melbourne. The organisation's annual New Year celebrations and business networking events provide advice and assistance to small businesses, but nowadays it is also a backbone to my entire community.

The association also produces the publication *Brilliant Melbourne* which keeps the Chinese community informed on what is happening around Melbourne. Publications like *Brilliant Melbourne* and *Chinese Weekly* and other newspapers in my electorate play a role in strengthening multiculturalism, social cohesion and participation throughout my community. Within my Chinese community in Box Hill they are predominantly Cantonese speakers of Indochinese descent or from Hong Kong, Singapore or Malaysia. Within Glen Waverley they are Mandarin speakers of direct mainland descent. Nowadays these two groups, which for many years were at odds with each other have come together in the business of uniting to work between Australia and China.

I want to congratulate association president Andrew Yu and Vice President Ken Huang along with all members of the Asian Business Association of Whitehorse on the leadership they provide to our community and their involvement across the board in many things. I also congratulate City of Whitehorse Councillor Robert Chong, an outstanding community leader who has been involved in the community for more than 30 years, having come to Australia on the Colombo Plan and never gone home. He has done engineering and worked for the Australian Air Force and been a councillor at Whitehorse for many years. He is a backbone of our community and a backbone of the Chinese community.

We also have the Chinese Women's Association, who are currently organising 25 years of service to the Chinese community and the wider community in my electorate—a big dinner is being held this year. There is the Chinese Social Services community organisation which provides aged care services to my community, and there is also the Friendship Association Chinese Table Tennis Club in downtown Box Hill, which also brings together many people through that great sport.

Mrs PRENTICE (Ryan) (20:30): I rise to speak on the member for Bennelong's motion and I thank him for introducing this motion to reflect the significant importance of Chinese migration to the history and story of Australia.

The electorate of Ryan and the city of Brisbane, much like the electorate of Bennelong and the community in Sydney, has benefited greatly from Chinese migration to Australia. Brisbane's Chinese-Australian story began 164 years ago in October 1848, when the first Chinese migrants arrived in Brisbane as indentured labourers from Amoy aboard the sailing ship, the *Nimrod*. At that time, British settlement in the colony was expanding and the pastoralists were in need of cheap labour, as transportation of convicts had ceased. Between 1848 and 1853 about 1,000 Chinese labourers arrived in what is now Queensland and signed a five-year employment contract. They were employed as shepherds, labourers and servants and later as shearsers.

The first group of 62 Chinese arrived in Moreton Bay a few weeks before the first load of free immigrants arrived from England on the *Artemisia*. The later discovery of gold was responsible for large numbers of Chinese coming to Queensland.
The numbers were not great until gold was discovered on the Palmer River, inland from Cooktown in North Queensland. More than 18,000 Chinese migrated between 1875 and 1877 and, after the gold diminished, many moved to other areas of the colony, including Brisbane. They found work in many ways as merchants, landclearers, herbalists, cooks, furniture makers, hawkers, farmers and market gardeners.

In the electorate of Ryan, the Chinese established many market gardens along the creeks and watercourses and operated these during the latter part of the 19th century and the first half of the 20th century. They were the main providers of fresh fruit and vegetables to the expanding population. Similar activities occurred in nearly every settlement area in the colony. This was the beginning of a significant, productive economic contribution to Queensland and Australia, one that continues today.

In the electorate of Ryan, historical societies have been researching and documenting the history of the Chinese. The Chinese-Australian Historical Association is based in Ryan, established after the completion of the Chinese Club of Queensland's headquarters in Auchenflower in 1957. Like the rest of Brisbane, they suffered heavily during the 1974 floods, and the club did a lot of good work to support the wider Brisbane community at the time. They have recently erected a heritage sign in the original Chinatown of Brisbane in Albert Street. They take their story throughout the community with their travelling exhibition called 'Sojourners and Settlers—the Chinese in Queensland', which has toured the state.

There are many people in Ryan who have worked hard to document the history of Chinese migration to Brisbane. Desley Drevins from the Ashgrove Historical Society has documented the Chinese market gardens on Enoggera and Ithaca Creeks. Jeff Hilder from The Gap Pioneer & History Group has recently researched the story of the Chan brothers, who operated two market gardens at The Gap, and the Friends of Toowong Cemetery have translated and documented the information on the grave markers in the Chinese section of Toowong Cemetery.

I thank and pay tribute to Mr Ray Poon, who has worked tirelessly over the years to document the experience of Chinese immigrants to Queensland. Thanks also to the National Archives in Brisbane, whose many historical records have been preserved; to date they have digitised more than 15,000 records. I also acknowledge the hard work over many decades of the Chinese Club of Queensland, the current president, Mr Michael Chan, and Brisbane's living treasure Mr Eddie Liu, who has been deservedly recognised with the Order of the British Empire and the Order of Australia. The Liu family has been involved in the local community and Eddie is known as the 'father of Chinatown'.

I commend the member for Bennelong for drawing the attention of members to today's motion. The member for Bennelong is a strong community campaigner for his electorate and has developed a table tennis program to help students engage in sport and enjoyable exercise. I wish all the students who participate in the Bennelong Cup table tennis competition later this year the best of luck.

Ms BRODTMANN (Canberra) (20:34): I too would like to lend my support to the member for Bennelong's private members' motion and recognise the strong and significant history of Chinese migration to Australia over the past 150 years. During this time Chinese-Australians all over the country have made a significant contribution to our
nation. They are the masters of vibrant, loud and colourful festivities, and not just in Bennelong. During Canberra's National Multicultural Festival in February 2012 our Chinese community celebrated Chinese New Year—the Year of the Dragon. They came together for an extravaganza of dance, singing and performances. It was colourful, lots of fun and a wonderful reminder of the joy our Chinese community brings to Canberra.

I have my own connections to the Chinese-Australian community. My father's mother's family came out from China to Australia during the 1850s as part of the gold rush in Ballarat. Members of my family on my father's father's side also came from Germany in the 1850s, when there was a huge influx of Germans making the voyage to Australia's shores. My mother's family came out from Ireland and Scotland in the late 1800s. Despite all that, Chinese cuisine loomed large in my childhood, particularly in the sixties. Most Saturdays my father would tuck into a plate of congee, and would sit there with his red hair, blue eyes and very pale skin. My mother had mastered the art from my father's mother, and my poor old mum used to go into Chinatown every now and then to pick up fresh ginger—in the sixties it was a bit of a challenge to get that in Melbourne, so she would always go there to get her Asian foodstuff. So despite the fact that there was German, Irish and Scottish influence, the cuisine at home was very much influenced by China.

Australians, particularly working-class Australians, are a mix of every nationality. Australia is a diverse community, a multicultural community and, for the most part, an accepting community. We should be proud that so many people from all over the world view Australia as a wonderful place to live, to raise a family and to contribute to society. More and more people are willing to come to our country, adopt our values, call themselves Australian and become productive members of our society. In fact, the census data released last week shows that Canberra is becoming more culturally diverse than ever before. Between 2006 and 2011, the percentage of people in the ACT who said they had an Australian background dropped from 30.7 per cent to 26.6 per cent. And the third most reported country of birth, after Australia and England, was China, with 1.8 per cent of people living in the ACT born in China, compared to 1.1 per cent in 2006. Mandarin remained the second most popular language spoken at home, following English, increasing from 1.1 per cent to 1.9 per cent between 2006 and 2011. The number of people living in the ACT who were born overseas is also on the rise—a trend I am sure is evident in many other parts of Australia. The local Chinese community here in Canberra play a significant role in welcoming new migrants and supporting Chinese students who choose to study at our universities. They are led by Sam Wong, who this year was nominated a People of Australia Ambassador for his contribution to the community.

We are also fortunate to have many schools committed to teaching languages, including Mandarin, and encouraging young Chinese students in our community to retain their native language. For example, there is the Chinese Australian Early Childhood Centre in Mawson, which was refurbished last year, providing long day care with a focus on bilingual education in English and Mandarin. The centre is helping young children develop a proficiency in and appreciation for the Chinese language and culture from an early age, which is wonderful to see. Many of the staff at the centre are native Mandarin speakers and have been teaching at the school for over a decade. The centre itself has been running
for more than 25 years, thanks to the fine work of the Association for Learning Mandarin in Australia.

As you can see, Chinese-Australians are continuing to contribute to our local communities in many different ways. Whether they emigrated here in the gold rush or are visiting now as international students keen to work here when they finish their degree, Chinese-Australians have played a key role in Australia's history and have enriched our cultural diversity and our nation immensely. I wish the member for Bennelong well at the Bennelong Cup table tennis match. I am sure it will be another great example of sport bringing different cultures together.

Debate adjourned.

Vocational Education and Training

Ms SMYTH (La Trobe) (20:39): I move:

That this House:

(1) considers that the extreme funding cuts to Victorian TAFEs announced by the Victorian Liberal Government will:

(a) damage the opportunities of hundreds of thousands of Victorian students for a decent education and for skilled employment;

(b) damage industry in Victoria which relies on TAFEs to provide skills and training to a local workforce; and

(c) result in job cuts and cuts to course offerings, including cuts of up to $300 million across Victorian TAFEs and up to 2,000 Victorian jobs; and

(2) calls on the Victorian Liberal Government to abandon its irresponsible cuts to TAFE funding immediately, and reinstate proper funding to the sector.

I was going to begin this evening by saying that I was most surprised to see the Baillieu government's $300 million in cuts to TAFE across Victoria announced in the state government's budget recently but, given the acts of the state government in cutting 3,600 Public Service jobs on a Friday night via press release, it is becoming increasingly difficult to be shocked by anything presented by the Baillieu government. So I will continue to endeavour not to be shocked by their antics.

It is appalling, however, that the state government has seen fit to cut into TAFE funding—funding for students who are seeking to improve their education; funding in many instances for students who are from disadvantaged backgrounds and face a range of educational challenges. It is most disappointing and I am sure that members of the National Party and people who represent regional areas which are serviced by TAFEs must similarly be concerned not only by the financial cuts that are being made but by the consequent effects for jobs. We have seen estimates that around 2,000 jobs across Victoria are expected to go by as early as the start of next year—and those are not my estimates; those are the estimates of the Victorian TAFE Association.

To give members an idea of the magnitude of cuts for each campus, I will mention a few of them. In 2013, the statewide cuts will mean that Box Hill TAFE, for instance, will suffer funding cuts of around $24 million; Chisholm TAFE, which has a campus in my own electorate of La Trobe, will face a cut of around $25½ million; the cut to Holmesglen TAFE will be $25½ million; William Angliss TAFE will face a $5.8 million cut; Ballarat TAFE will be cut by $20 million; and Gippsland TAFE—I note that the member for Gippsland is due to speak in this debate—will be cut by $10 million. These are extraordinary figures that have been sprung upon individual campuses which are responsible for thousands of students who, as I mentioned, face educational disadvantage in many instances.
This government has a right to be interested in this issue, as the federal government has invested $224 million in TAFEs over the last four years through projects that have upgraded facilities and equipment in campuses right across Victoria, in addition to the $360 million in funding provided on average each year. So it is entirely appropriate that this debate come before this House tonight. I know that it is of significance to a great many members on this side of the House, and it should be of interest and importance to a great many members on the other side of the House.

Under the Council of Australian Governments agreement reached with the states in April, the Commonwealth has offered Victoria $435 million to support reforms to the vocational education and training system to improve quality and transparency. I should note that one of the significant consequences of the TAFE cuts is that thousands of Victorian high school students may also miss out on vocational education programs. Around 40,000 students are enrolled in vocational education and training in schools, in which TAFEs provide some of the teaching to support the program. I know that at least one school principal from my electorate, Wayne Burgess of Emerald Secondary College, has expressed his concern and remarked:

For some students, these programs keep them coming to school and keep them engaged. If they stop, what happens? We want high retention rates, we want students with skills, but now we're taking the very thing that motivates them.

Most importantly, I can see the damage that is likely to be caused at a personal level to students currently in the system and to prospective students as well as to each TAFE college across Victoria. I have met with Maria Peters, the director and CEO of the Chisholm Institute of TAFE in my electorate. Chisholm has campuses at Cranbourne, Berwick, Dandenong and Frankston and, on current estimates provided by the Victorian TAFE Association, is expected to lose around $25 million, a substantial amount of its revenue. I know that Ms Peters is gravely concerned about the potential increase in course fees and the reduction in course availability. I know that she is extremely concerned about the long-term legacy of those cuts, particularly for students who face disadvantage and for whom TAFE currently presents an opportunity to find meaningful employment.

We are already seeing examples of these kinds of cuts and the effects that they are likely to have on students who might be the worst affected. For instance, we have seen the circumstances of Ben Carbonaro, who relied on support services such as those provided by RMIT TAFE's Disability Liaison Unit during his studies that ultimately led to a journalism degree. Support services such as these are the very services that are most at risk of being cut back because of the Baillieu government's cuts to TAFE. Likewise, students from low socioeconomic backgrounds are likely to experience disproportionately severe effects from this cuts. I urge members to support this motion. (Time expired)

The DEPUTY SPEAKER (Ms K Livermore): Is the motion seconded?
Ms Burke: I second the motion and reserve my right to speak.
Ms LEY (Farrer) (20:45): I rise to speak on the member for La Trobe's private member's motion regarding Victorian TAFE funding. It is important that we do not characterise the debate this evening in terms of those who support TAFE and those who apparently do not, because I believe that all members in this place do support TAFE. As a member of parliament from regional New South Wales I have had much to do with the
Riverina Institute of TAFE and their many campuses across New South Wales—the good work they do, the community services they provide, the jobs that they give to small regional towns, and their connection with local communities, which is very much to be praised and admired.

But I would like to remind those opposite that the former Labor government in New South Wales budgeted $900 million for vocational education and training in the 2011-12 financial year and, regrettably, as with so much they do, they blew out the budget to the tune of at least $400 million. It is a basic tenet that a government, whether it be federal or state, has to live within its means.

And now we see that the Victorian Liberal government faces a difficult challenge in restoring economic credibility. Despite this monumental challenge, they have actually budgeted for a record level of ongoing investment into vocational education and training. This is far above what the previous government had budgeted. The quantum of dollars invested has not been reduced; in fact, it has been increased. They have also sought to refocus where exactly the VET funding is targeted. This measure is about ensuring value for money is achieved and that skills in demand are given priority—those skills that will boost productivity and help grow the Victorian economy.

It is a difficult and challenging area of public policy. But if we as governments are investing public taxpayers' dollars in the development of skills in individuals to benefit the productive capacity of the economy—and it could be any of the state economies in Australia or in fact the federal economy, the total economy, because people who study at, learn at and attend, for example, TAFE in Victoria may go anywhere in the state—we have a responsibility to ensure that those public dollars are directed towards the best possible end.

The government in Victoria has sought to refocus where this vocational education and training funding is targeted. This measure is about ensuring value for money is achieved and that skills in demand are given priority, because it is the government's responsibility to grow its state economy. They have done this by changing the funding rates, providing more assistance for areas such as trade apprenticeships, and reducing funding to those courses that have lower educational outcomes and may have been oversubscribed in the past. Twenty per cent of courses will see an increase in funding levels, and the majority of these courses are in fact offered by the TAFE sector. In addition to this, the Victorian government has offered to underwrite debt for Victorian TAFEs. It is important to note that. This is especially important for regional TAFEs, which have much narrower operating budgets.

Ultimately, any government has a responsibility to its constituency. They must be held to account for their expenditure. It is vital that those courses and qualifications on offer do meet genuine workplace needs. The Victorian government have correctly identified areas of real demand and have tailored their funding program accordingly. If I am to touch on the history of the contestable funding model for vocational education and training in Victoria, it is important to note that this model is directly responsible for a plethora of new registered training organisations offering cheap-to-deliver courses with no discernible educational benefit.

These changes will prevent an overload of qualified people in areas where there are minimal opportunities and instead
incentivise TAFEs and registered training organisations to focus their efforts on the skills that are really needed. Ultimately this should ensure that those mass offerings in courses that are not really in the public interest will be replaced with courses offering legitimate qualifications that promote the economic growth of Victoria. In fact, I believe that the Victorian government should be lauded for this move, not condemned.

Ms BURKE (Chisholm—Deputy Speaker) (20:50): I rise to speak to the motion moved by the member for La Trobe. I had to laugh out loud at the statements made by the member for Farrer. I am surprised she could keep a straight face during that contribution tonight, because she has belled the cat: the money is being ripped out of TAFEs and given to private providers. This will not assist training and diversity in our state. It will not go to the courses we need. It is going to visa factories. It is going to people getting courses in areas where we do not need training. We have demonstrated time and time again that it is a shonk. But we need to bring to the attention of the House the decision by the Baillieu Liberal-National government to rip $290 million out of the Victorian TAFE system. It is a matter of grave concern not only to Victorians but to the rest of Australia.

Education and skills training offer the best path to a bright and secure future for our young people and, indeed, the many older people who use the TAFE system to re-enter the workforce. And who is to determine what the best course is? You may go and do a part-time course that gets you back into training—it may be in belly dancing, but it gets you inside the training system and you go on and do more things. Who is to undermine those TAFE courses that so many people do? TAFES are a phenomenal asset to our community. People on the other side have been bagging TAFE for centuries, and they should get over it.

The Baillieu Liberal government have demonstrated that they just do not get what a TAFE system does. For many young students it is only with the qualifications and training that a TAFE provides that they can have any hope for the future. One of the best things I do each year is to go to the Box Hill TAFE awards night for apprentices. Every one of those kids has a job to go to. Not everyone walking out of university has a job to go to, but every one of those apprentices already has a job to go to. We need to remember that TAFE is not just about students and training; it is about business, it is about the future, it is about skilling up our workforce and it is about ensuring that we actually provide the skills we need into the future. It is our TAFE sector that has the best connectivity with industry, and we are now denuding that in Victoria. It is something the Gillard government has long recognised, and under the COAG agreement in April we offered the Victorian TAFE system $435 million to support reforms to the VET system. Again, it is another Liberal government taking federal money and cutting their own funding. It is just a cost shift.

The Gillard government has also invested $224 million in Victoria's TAFEs over the last four years. I have had the absolute delight of opening some new facilities in my electorate at both Box Hill and Holmesglen TAFEs and I will be opening the new centre at Gibbs TAFE if it survives this downturn. The Gibbs TAFE campus is in Chadstone in my seat. It is Gippsland TAFE's wonderful training facility which the Gillard government provided with $16 million. Over the next five years the Gillard government will deliver more than $2.2 billion of funding to Victoria to provide the skills that Australian businesses and individuals need to
compete in our modern economy. Yet, still, the Baillieu coalition government just takes money away. There is no way you can dress this up as a good thing.

In my own electorate, the future of one of the largest TAFE colleges in Victoria, Holmesglen TAFE, hangs under a dark cloud. With $25.5 million cut from its budget, Holmesglen TAFE is now faced with having to make the horrible choice between doubling fees, cutting courses or sacking staff. This is a tragic state of affairs. It is tragic for the students who are denied training opportunities and tragic for the staff who face a shocking future. It is also tragic for businesses who rely upon the skills that come out of Holmesglen. I had a work experience student in my office just two weeks ago who is doing a vocational course at Holmesglen. He said that his life will be in ruins if his course goes. Let me assure you it will be in ruins.

Another TAFE college in my electorate, the phenomenal Box Hill Institute, is faced with severe cuts. John Maddock, the CEO of Box Hill and I met recently. Peter Garrett hosted a forum at Box Hill TAFE and we heard firsthand about this tragic situation. John said:

We're looking to minimise jobs cuts but 150 to 200 people may have to go. The estimates are around 2000 jobs will be cut from the TAFE sector across the state.

Mr Maddock said the TAFE was looking at which courses it could increase student fees for and which courses would be discontinued. He went on to say:

The one thing we will not do is put the quality of teaching at risk, nor will we put our links to industry at risk ...

Job losses are going to vary across all the industry and courses. We would rather make an informed decision in two months' time than rush a decision. Once we do the cuts, it's hard to bring people back.

That is the other thing people do not realise: getting good quality staff in TAFEs is really hard because you are competing with expertise out in the sector. Once you lose these staff you can never get them back. They will be lost forever. There is no way the Baillieu government or anybody can play this up as a good thing. It is an abomination for our state and for all Australia.

Mr CHESTER (Gippsland) (20:55): In joining in the debate tonight I acknowledge that this is an important issue, and I would like to put on record my support for the TAFE system and, like the member for Farrer, acknowledge that members on this side of the House strongly support TAFEs and think it is wrong to characterise the particular budget decisions in Victoria in the simplistic terms that the motion before the House seeks to do.

Putting TAFE onto a sustainable footing for the future has created some short-term pain—and I will not argue about that with any of the members who have already spoken. I do have a great deal of sympathy and empathy for the students and staff who have been adversely affected by these decisions. But those opposite often lecture us on this side of the House and suggest that being in government is about making tough decisions. I think that in this case the Victorian government has had to make some very tough decisions.

I listened very closely to the member for La Trobe in her speech here tonight, and there was not one mention of how we got ourselves into this mess in Victoria and the financial realities of the challenges facing the Victorian coalition government. All the rhetoric and all the trumped up indignation does not change the simple fact that the Victorian coalition government inherited Labor's financial mess. We have seen the
same experience with the New South Wales budget in recent times and also the Queensland budget. It has been up to Liberals and Nationals in the coalition to clean up after Labor's mess at state level. It has always been the same. The simple fact of the matter is that Labor, in government, cannot manage money. Those opposite might not like it, but we have had this experience at federal level, when Howard and Costello were left with a $96 billion debt that they had to repay. We now have Treasurer Swan, who has had more deficits than he has probably had Sunday roasts. He has had the four biggest deficits in history and—guess what?—it is going to be up to Liberals and Nationals in coalition at some stage in the future to pay it back.

I am disappointed that we seem to be having this discussion in isolation. We do not actually get to the financial realities. It is as if the minister, Peter Hall—whom I happen to know very well; he is a close colleague and a good friend of mine—went out of his way to inflict pain on the Victorian people, which is simply not the case. He has been presented with a set of numbers in the Victorian budgetary situation, which required urgent action to put TAFE on a sustainable footing. Those opposite might not like it. They do not want the facts to get in the road of this motion and get in the road of the story they would like to tell. But the former Victorian Labor government was reckless in the extreme. Never once did Treasurer John Brumby, and then Premier Brumby, live within his means. He was propped up by record revenue throughout his whole career as Treasurer. His spending was out of control but record revenue kept him afloat, so let us not pretend that the Victorian government in the Bracks and Brumby era was anything but reckless in the extreme with its spending.

The situation with the TAFE industry, if you like, in Victoria was that the uncapped positions at TAFE colleges meant that the incoming government did not have the funding allocated to meet the demand for the positions that were provided for under the former Labor government. So we have the incoming Victorian Liberals and Nationals in coalition faced with a funding shortfall in the order of between $400 million and $500 million. It was simply unsustainable. Members opposite have gone quiet now because they know that is a fact. They were left with a significant funding shortfall.

The member for La Trobe liked to talk about this as an issue of significance—and it is an issue of significance—but it was not significant enough for the former Brumby government to actually provide the financial wherewithal to make sure it was sustainable in the longer term. Let us not pretend that this has happened in isolation or that it happened overnight. They were left with a funding black hole and they were trying to fix up the mess left behind by John Brumby and former Premier Steve Bracks.

My concern is that the experience in Victoria is happening on a wider scale throughout Australia. I am concerned that those opposite lack a diverse range of experience within their cabinet of people with direct business experience to start delivering value for money for taxpayer dollars and to control the reckless spending that we have seen. There is a severe shortage within the Australian Labor Party at state and federal level of people with direct business experience, people who have actually hired other people with their own money and had the entrepreneurial wherewithal to go out there and create wealth in our community. That is an issue for the Australian Labor Party. I am not here to give a lecture on that but it simply creates a problem when it comes to the management of the budget.
This motion is, I believe, a smokescreen for Victorian Labor's financial failings in the past. I have some concerns with the impact of those cuts and I have raised them directly with the minister. The members opposite will not be surprised to hear that, particularly in a regional area where there is often a lack of alternatives for further study. I have been prepared to work with Minister Hall and I am striving to work with my local TAFE organisations, in the interests of my region and the students in it, to make sure we can keep TAFE on a sustainable footing for the future, because most regional communities do not have any alternatives. It is important that this TAFE issue has been raised here tonight but it also important to keep it in the context of the budget situation. (Time expired)

Mr KELVIN THOMSON (Wills) (21:00): I would like to express my support for the motion, moved by the member for Latrobe and seconded by the member for Chisholm, criticising the funding cuts to Victorian TAFEs by the Victorian Liberal government.

I have spoken about this issue in the parliament previously, highlighting the importance of vocational education and training in driving productivity and lifting workforce participation. Premier Baillieu said enrolments in the uncapped vocational education and training system had 'exploded' from 350,000 to 550,000 in two years. He said that was an unsustainable growth rate and was the reason the budget cuts were necessary. In light of the skills shortages that business is screaming about, this is really a nudge and a wink from the Premier, saying, 'Don't worry—we can depend on migrant workers.' The free-market zealots in the Liberal Party would like nothing more than to drain government support from skills training and open the borders to unfettered migrant workers in a race to the bottom on wages and conditions. They miss the point that government assistance for skills training, such as that through the TAFE system, will reduce unemployment.

Unemployment is a particular problem in Broadmeadows, a suburb in the neighbouring electorate of Calwell, where it is 13 per cent and where the Baillieu government's cuts to TAFE will be felt significantly by the Kangan Institute. Fifty-two courses offered by the Kangan Institute could be cut as a result of the funding cuts. This will mean less opportunity for young people in Melbourne's north to learn skills and gain qualifications that would help them to secure a long-term job and help our state skill up its workforce. Some of the 52 courses cover some of the areas where our economy needs skills the most, including building, language studies, health and hospitality. Some of the courses are: certificate II in aviation (flight operations); advanced diploma in building surveying; certificate II in transport and logistics; certificate IV in business; course note-taking for deaf and hard of hearing people; diploma in youth work and certificate II in hospitality.

According to the Department of Education, Employment and Workplace Relations, the unemployment rate across Melbourne's north-west region is 6.4 per cent. Victoria has recorded the highest level of youth unemployment in Australia. Jobs figures show 22 per cent of young people aged 15 to 19 are unemployed—well above the national rate of 18 per cent. Some 14,000 Victorians aged 15 to 19 were unemployed and not attending full-time education in
March, while 29,000 jobless young people were studying full time. At a time when Victorian jobs are being lost, Victoria's TAFE system needs support from the state government in order to help train and skill up young Victorians.

Along with the course cuts there will be significant job losses for teaching staff. Analysis shows that more than 550 Victorian jobs will be lost by July this year: around 200 TAFE teaching and support jobs across regional Victoria, and 350 in metropolitan TAFES and dual-sector providers. In January next year, more than 1,320 further positions will be on the line, including up to 400 positions across regional TAFE providers and a further 950 at metropolitan and dual-sector providers.

The member for Calwell and I recently met with the chief executive officer of the Kangan Institute, Ray Griffiths, to discuss the cuts, and we subsequently wrote to Premier Baillieu urging him to investigate, to immediately reinstate funding to public providers like the Kangan Institute and to reform the TAFE funding system in the context of securing the funding future of public TAFE institutions. It is time to review the competition policy in vocational education and training which led to an expenditure blow-out from $800 million to $1.3 billion. The blow-out referred to by the member for Gippsland was almost entirely in private provision. It would be better to put in place quality-control mechanisms and proper barriers to entry for private providers rather than attack public TAFE.

Rather than seek to repair the broken funding system, these cuts punish the reputable, longstanding public institutes like the Kangan Institute. Private providers have been taking advantage of an uncapped system and have been putting profits before quality learning for young people. Both unions and TAFEs fear that private training colleges will abandon courses that attract lower government subsidies and switch to more highly-subsidised courses.

Funding to public providers like the Kangan Institute should be reinstated and the entire TAFE funding system should be reformed in the context of securing the funding future of public TAFE institutions. These funding cuts are a short-sighted decision. We should be skilling our own workers. (Time expired)

Mr HUNT (Flinders) (21:05): In speaking on this motion by the member for La Trobe regarding cuts to Victorian TAFE funding I want to deal with the legacy issues faced by the current Victorian government and focus, not on some of the doom and gloom, but on a way forward—a way to achieve better education for Victorian students. In particular, I want to deal with the prospect of a National Centre for Coasts and Climate at Point Nepean. I will do so in three stages: firstly, looking at the vision; secondly, looking at the history; and thirdly, looking at the plan.

Let me begin with the vision, because this is about tertiary education for young people on the Mornington Peninsula who have been starved of opportunities. There are some very valuable institutions but none at the degree-awarding level—none which gives young people the opportunity to carve out a career through advanced research. The vision for a National Centre for Coasts and Climate at Point Nepean was something which began a decade ago and we have not wavered. The local community has been utterly supportive. There was a long battle to ensure that this land, which was in the hands of Defence, was not sold off to private developers. In so doing, we would have lost two great assets: one of Australia's great headlands, refuges, parks and vistas, and the old quarantine
station at Point Nepean—one of the greatest historic sites in all of Australia's built environments, which we would have seen converted. The land has been preserved—of that I am confident. The solution will be in place for the next 100 years and then, I am certain, beyond that.

The buildings are the real subject of the great story to come, though. In my judgment, the history to come will be of a National Centre for Coast and Climate, conducted by Victorian universities using tertiary places allocated by the previous federal government. That vision comprises three elements: firstly, historic use—the quarantine station and the museum; secondly, marine education and coasts and climate education as a centrepiece, as the mainstay, the heart, of the campus; and, thirdly, the potential for bringing the public in, whether through conferencing or wellbeing—the notions articulated by Andrew Fairley, the current Chair of Parks Victoria, who has been a tremendous interlocutor in this project.

I now want to turn to something of the history. The community, through many fronts, worked to achieve this outcome, but the Howard government in particular put in place approximately $50 million for advancing and protecting marine and coastal education at Point Nepean and advancing and protecting the built heritage. So these elements are the historic legacy. Unfortunately, when the land was turned over from the former minister for the environment, the current member for Kingsford Smith, to the then Brumby government, much of that vision was lost, and the community work was abandoned.

There are many people to thank, including Environment Victoria, and Eric Noel, my friend, who did so much work on that front; the members of the community reference group, and others. However, we are now in a position to move forward. I have had tremendous support and engagement from the Vice-Chancellor of Melbourne University, Glyn Davis; from the Victorian minister for the environment, Ryan Smith; and from the Chair of Parks Victoria, Andrew Fairley.

As we move forward, the plan is close to fruition. Parks Victoria is currently completing its analysis of marine and coastal education for the Mornington Peninsula. My belief is that there will be, most likely, three elements to that plan—exactly what the community had always envisaged: history, education, and community use and wellbeing. So that is a step forward. For that we are thankful. (Time expired).

Debate adjourned.

2012 London Olympic Games

Dr LEIGH (Fraser) (21:10): I move:

That this House:

(1) notes:

(a) that the 2012 London Olympics will take place from 27 July to 12 August and the Paralympics will take place from 29 August to 9 September, with London becoming the first city to host the modern Olympics on three occasions; and

(b) the diversity of the Australian team, comprising athletes from all parts of Australia;

(2) recognises the dedication and hard work of the extraordinary athletes that make up the Australian Olympic and Paralympic teams, and their coaches, friends and family;

(3) acknowledges the unique role played by the Australian Institute of Sport in preparing athletes for the Olympics and Paralympics; and

(4) wishes our athletes well in London.

Fraser is the sportiest electorate in Australia. In any Olympic sport, I would pit my electorate against the electorate of any other person in this place. Of course, it helps to
have the Australian Institute of Sport! But it is also true that Canberra has plenty of non-elite athletes. Over 40 per cent of the ACT public plays some form of organised sport. The nation's capital is also its sporting capital.

In my time as member for Fraser, I have had the pleasure of allocating Local Sporting Champions grants. Local Sporting Champions assists young athletes aged 12 to 18 with the costs of competing at state, national or international competitions. Over the past 18 months, I have been joined by swimmer Sally Foster and Hockeyroo Anna Flanagan to award Local Sporting Champions grants to individuals and sporting clubs in my electorate.

Sally, who lives in the Fraser electorate and trains at the Australian Institute of Sport, is competing in the 200 metres breaststroke at her second Olympic Games. Sally also has a special connection to the Olympics. Her great-aunt competed in the 1936 Berlin games. On the six-week boat trip over to Germany, she and the other swimmers trained by having someone hold their arms while they kicked their legs in the small pool on board the ship.

Anna Flanagan is heading to London as part of the Hockeyroos squad, playing in the position of full-back. Anna debuted for Australia against Korea in 2010 and has scored six goals in 56 international matches. She plays for the Canberra Strikers in the Australian Hockey League, and she is also studying journalism. So who knows—at some point after her hockey career is over we may see her in this place as a journalist covering the nation's politics.

The AIS is a terrific facility that has been producing great athletes for many years. I know there are many athletes who live and train at the institute, each with their own unique story. I want to wish each of those AIS athletes the best for the games.

London hosted the modern Olympics in 1908 and 1948. In 1939 it was granted the 1944 Games, but these were cancelled due to World War II. Had they held the Olympics in 1944, it would have been the 50th anniversary of the modern Olympics.

These Olympics will be held from 27 July to 12 August, followed by the Paralympics from 29 August to 9 September. It was a pleasure this morning to join the Prime Minister and the Minister for Sport, Kate Lundy, to farewell our Paralympians.

My own personal connection to the London Games is courtesy of a childhood friend, Bronwen Watson. Bronwen also trained at the AIS and is representing Australia in the women's lightweight double sculls. The winner of four world championships, she is one of the fittest and most dedicated people I know. I wish her all the best and hope that she manages to come home with gold. Her deduction and that of all of our athletes are examples of what individuals, with the support of others, can achieve. It is witnessing athletes achieving gold medals or, in some cases, simply participating, that makes the Olympics such a special event.

I also want to take this opportunity to acknowledge the dedication and sacrifice of coaches, families and friends. No athlete makes it to the games alone and they rely heavily on the support of those close to them. So, to those friends, families and support crews, I say: thank you. My favourite Olympic moment has to be Cathy Freeman's 400-metres victory at the 2000 Games: that look of steely determination and focus; that moment as she strode away to consolidate her lead as she came out of the final turn; the sight of her sitting on the track alone in a full stadium, the relief of having carried her own
and a nation's expectations. For me that moment signified more than a nation celebrating the triumph of an individual athlete. For me it was also a great moment of unification between Indigenous and non-Indigenous Australians, one based on rejoicing our shared histories and cultures. It is my favourite moment because in that symbolic sense it managed to get the combination of Indigenous celebration and pathos.

Every Olympic Games produces moments of heroism, humanity and humility. Proposed in 1894 by Pierre de Coubertin, its motto Citius, Altius, Fortius—Swifter, Higher, Stronger—will again be on display by our athletes at the Olympics and Paralympics. I wish them, and in particular those from the ACT, every success and the experience of a lifetime.

The DEPUTY SPEAKER (Ms K Livermore) (21:15): Is the motion seconded?

Mrs PRENTICE (Ryan) (21:15): I second the motion. I thank the member for Fraser for his motion today, which recognises the upcoming Olympic and Paralympics Games in London.

Every four years, we have the opportunity to watch Australia's and the world's best athletes compete against each other at the pinnacle of human physical achievement—the year when all other sporting events pale into insignificance. We are reminded of the unwavering commitment and exertion required to become the world's best and to win that coveted gold, silver or bronze medal. There are always stories that are so inspiring that you cannot help but cry in recognition of their achievement.

This morning I was honoured to attend the Australian Paralympics team's launch ceremony in Parliament House. At this stage, there are 161 athletes going to London this year—the biggest team that we have sent to date. I met Dylan Alcott, who will be competing in the wheelchair basketball event this year and who has been paraplegic since birth. Dylan has truly battled adversity to lead a remarkable life. By the age of 17, he had already been part of an Australian team which won the gold medal at the 2008 Beijing Olympics and again, when he was 19, at the 2010 World Championship. I also wish University of Queensland student Bridie Kean golden success in the women's wheelchair basketball event. Bridie is yet another great ambassador and team captain, and spoke so eloquently at this morning's launch.

I was also fortunate to attend the St Peter's Western Swim Club's corporate relay and breakfast on 15 June at St Peter's Lutheran College in Ryan. At such a critical time in the lead-up to the games, I would like to thank all the Olympic swimmers including Mitch Larkin, Stephanie Rice, Nick D'Arcy, Kendrick Monk and Leisel Jones for taking time out of their busy schedules to support the Starlight Foundation. A big thank you also to Phil Di Bella, who matched donations on the day dollar-for-dollar so they were able to raise more than $17,000 for such a worthwhile charity.

Of course, we should also record a huge thank you to all of the administrators, volunteers and athletes' family members who make such an enormous contribution to a successful Australian Olympic and Paralympics team. It is mothers like Judy Larkin, who called just the other day for an Australian flag to take over to London, who invest so much effort and dedication to ensure their children can grow up with the opportunity to represent our country.

Australians would not excel in sport both domestically and on the world stage if it were not for the hard work of the Australian
Institute of Sport, the Australian Olympic Committee and the Australian Paralympics Committee. Every year, the AIS offers hundreds of scholarships to athletes to attend the sports training institute, so that participants in 36 programs across 26 sports can use the services of skilled coaches, world-class facilities and other cutting-edge sports science and medicine services. The AIS has a reputation for being one of the best high-performance sports institutions, and our sporting community owes much to their team.

I extend my appreciation to Mr John Coates AC and all members of the team at the Australian Olympic Committee for their unremitting dedication to Australia's participation and success at the Olympic Games. As Chief Operating Officer, Mr Craig Philips mentioned the preparation for the 2012 London Olympics began in 2005 when the decision to host the Olympics in the UK was announced. All athletes go through a very extensive process to be officially selected for the games, and it is the work that we do not see at the AOC that goes a long way to a smooth games event for Australian athletes.

I also would like to recognise Mr Jason Hellwig and all the members of the Australian Paralympics Committee. At the launch this morning, Mr Hellwig said he was confident Australia can achieve enough gold medals to remain among the top Paralympics sporting nations in the world despite half of the team being made up of debutants.

Both Olympic and Paralympics teams are looking at the ultimate goal of being in the top five for both the gold and aggregate medal tallies. We will face some very tough competition this year from traditional rivals, including China, the United States and the United Kingdom. Every Australian will be cheering for all our sportsmen and women, and I wish both teams and all our athletes all the very best.

I remind Australians that the first time the Australian flag ever flew was at the 1908 London Olympics where we won the first gold medal for the rugby union.

Mr NEUMANN (Blair) (21:20): I speak in support of the motion of the member for Fraser. He and I are running partners along with you, Madam Deputy Speaker Livermore. Running around Canberra, I can ensure you that our efforts are in no way Olympian—although we do our very best.

The Ipswich hockey complex recently displayed a banner which said 'Good luck in London Hockeyroos and Kookaburras'. Hockey is a sport in which Australia has excelled. Australia has been in love with the Olympics since Edwin Flack was the first athlete to represent Australia. He won gold in both the 800 metres and 1,500 metres at the 1896 Summer Olympics in Athens, Greece. Athens, like London, has hosted the Olympics on more than one occasion.

We wish our Olympians and Paralympians well. Australia has excelled in sport and, for a country of about 22 million, we certainly have punched above our weight. When we hosted the Olympics we came third and fourth in Melbourne and Sydney. There are many sports in which Australia has done well. Hockey is one sport in which we have done particularly well. Our women's basketball team has also done well in recent years. Athletics is another sport which, in its early days, Australia did well in. Who could forget Betty Cuthbert and her efforts? Australia also does well in swimming. I hate to say it, but the member for Fraser is wrong; Queensland is the sporting state which has really been the place to be, because many, many times, swimmers from other states at national championships have seen that maroon cap and have wilted, just like New
South Wales do in the State of Origin—and will do so shortly!

I want to mention a couple of athletes, particularly from Queensland. A girl from the Gold Coast who won silver at the Beijing Olympics is Sally Pearson, who is the current world champion in the 100-metres hurdles. She has not always had an easy life, but with courage and determination she succeeded. Who could forget the delight on her face when she realised she had won the silver medal?

The other person who seems to have been around forever but is my personal favourite when it comes to swimming is Liesel Jones, a girl from Brisbane. With grace, humility and determination, she has been a wonderful success story for such a long period of time. She seems to have been there forever in our swim team. Liesel has won eight medals: three gold, four silver and one bronze. She is in the company of Ian Thorpe, Dawn Fraser, Petria Thomas and Susie O'Neill—and she is there again. I am hoping that she will win a gold medal to bring her up to the elite company of Ian Thorpe, who has nine medals: five gold, three silver and one bronze. If she gets one medal over there, she will be up there with Ian Thorpe. She is another great girl from Queensland.

I also want to pay tribute to the women's basketball team. I urge them to and hope that they will break the drought. They have been silver medallists for the last three Olympics against their fierce rivals, the Americans. I hope that Lauren Jackson, who in my view is the best women's basketball player ever, will lead them to victory. The Americans have frustrated us on various occasions. We have got the better of them in one world championship, but I think we really are well placed this time to beat the Americans finally. I hope they break the drought and make sure they bring home the gold medal. It would be a fitting tribute for Lauren, who burst onto the scene as a centre forward in 1998 at the young age of 17. In those days she was quite gangly and a bit awkward in the way she shot and played, but she is a powerhouse in the women's NBA and a great ambassador for us across the globe. When she has played in Russia or in America she has been known, and when she played for the Canberra Capitals—and I have to say that it is a pity she was not playing for a Queensland team—she led them to victory on many occasions.

My home town of Ipswich is a great sporting capital. We have produced the likes of the Langers and the Walters. At one stage we had the whole front row of the Australian rugby league team! The Olympics have never been quite our thing; we have been more into ball sports in Ipswich, but we are really behind them. I know the people of Ipswich and the people of Somerset will be watching keenly. I find it hard every four years: with only the exception of the world cup soccer, I think I get the most distracted by the Olympics. We wish the Olympians and the Paralympians well and thank them for their wonderful contribution to our sporting life.

Mr IRONS (Swan) (21:25): I rise to support the motion by the member for Fraser and to add a Western Australian flavour to this particular debate. The member for Blair mentioned hockey. Western Australia has not only punched well above its weight in the economy for a long time but also punched well above its weight in hockey circles.

I was honoured to attend the Australian Paralympic team announcement here in the Great Hall. It was fantastic to hear that Colin Harrison from my electorate of Swan was selected, but I will go into further detail on that later. With just 65 days to go until the
opening ceremony for the London Paralympic Games, our talented Olympic and Paralympic sportsmen and sportswomen selected to represent Australia are working hard to prepare for the Olympics and Paralympics.

In my speech I will focus mostly on the Paralympians. Our team of over 160 dedicated athletes will compete in 13 different sports over 11 days. As President of the Australian Paralympic Committee, Greg Hartung, said at today's launch, later this year we will see London host what is expected to be the largest and most competitive Paralympic Games ever. With the London Paralympic Games expected to reach an audience of three billion people, our Australian athletes will well and truly be on the world stage. The Australian Paralympic Committee's vision for the games is 'inspire and excite'. I believe this is very fitting.

As Australians we have always found ourselves inspired by those who push themselves to find success and achieve. Our athletes have done just that and are an inspiration to Australians everywhere. I will be one of the many Australians excitedly watching the games and sharing in our athletes' struggles, joy and achievements over the course of the games. I hope all my colleagues in this place and all other Australians join together to support and cheer on our Australian team. I think the running of the Diamond Jubilee Stakes at Royal Ascot on Saturday night, when the nation watched Black Caviar win, was a warm-up for these two events.

Australia's continued commitment to the Paralympic Games rings true with our Australian values. Our Aussie athletes have overcome significant adversity to achieve their goals, and every one of them has shown immense dedication to their chosen sports for many years. Our Paralympic team comprises athletes competing at an elite level. With their selection, they have demonstrated commitment, dedication and a will to achieve. Our athletes should be commended. It is not only an honour to represent our great country but an enormous honour to bring back medals through individual and team efforts which are a tribute to Australia's continued achievement in the international sporting arena. It is our athletes' high performance in their chosen fields, and not their disabilities, which defines them.

I would also like to acknowledge the incredible team of support staff who will be assisting our athletes. There will be 140 officials, carers and support staff attending the games with our athletes. The high cost of care for some of the athletes makes competing difficult for many athletes. In total, 36 high-care athletes will be competing as Australian Paralympians.

Australia has a rich history of participation in the Paralympic Games. Australia was one of the 23 countries who in 1960 competed in the first recognised Paralympic Games in Rome, Italy. Australia also played host to the Sydney 2000 Paralympic Games, which were heralded by Dr Robert Steadwood, then President of the IPC, as the best games ever. A total of 3,843 athletes from 125 different countries competed in the Sydney games, with the Australian team claiming the top spot with an astounding 149 medals.

I again acknowledge Colin Harrison, of Victoria Park in my electorate of Swan, who has been selected as part of Australia's Paralympic sailing team to compete at the 2012 games. It is a fabulous achievement, and I have every faith that Colin will do the Swan electorate, the state of WA and our country proud. I would also like to acknowledge the four other incredibly
talented Western Australian athletes selected to represent Australia in the London 2012 Paralympics. Nigel Barley, Darren Gardiner, Madison de Rozario and Brad Scott will also be part of the Australian team. It is a great honour to represent their country and I, along with many other Australians, will be cheering for them.

All Britain should take note, particularly after the loss this morning to Italy. I wish all success to our Olympians and Paralympians.

ADJOURNMENT

The DEPUTY SPEAKER (Ms AE Burke): Order! It being 9.30 pm, I propose the question:

That the House do now adjourn.

Macarthur Electorate: Carbon Tax

Mr MATHESON (Macarthur) (21:30): There is less than a week to go until the people of Macarthur are hit with the world's biggest carbon tax. I take this opportunity tonight to stand up for the residents, families, seniors and small business owners in my community who will suffer as a result of this tax.

The big question is, why must they suffer when the government's own figures show us that the carbon tax is not going to work. The carbon tax is a $9 billion a year tax which every Australian will pay through their electricity and gas bills. In the first four years, it will total $36 billion. But, despite the carbon tax, Australia's emissions will increase from 578 million tonnes to 621 million tonnes by 2020. Why? Because electricity and gas are essential services and so everyone will pay the carbon tax, not just the major polluters as the government would have us believe.

The major impact of a carbon tax is to raise electricity prices. The government estimates a rise of up to 10 per cent in five years, although the electricity industry is predicting a 20 per cent rise over the next 18 months. In New South Wales, prices are going up 18 per cent, with nine per cent directly attributed to the carbon tax—that is nearly the entire price rise in the first year, instead of the government's five-year projection.

I have pensioners in my electorate who are already struggling with the cost of living. I am visiting homes in the middle of winter where it is freezing cold inside because the elderly are too scared to turn on their heaters. A significant electricity price rise from 1 July is going to hurt families in Macarthur. Most of them are already using electricity responsibly. It does not matter how much it costs them, they are still going to have to turn on the lights, cook the dinner, do the washing, use a computer and of course heat their homes. And let us not forget small business owners—they will have no choice but to take on the burden of these price rises or pass the cost on to their customers and risk losing business.

Earlier this month, the shadow minister for climate action and the environment, Greg Hunt, came to Macarthur for a community forum. We met with many local business owners, including Simon Bradbury, who owns Stockade Pies in Queen Street. 'Simon the Pieman' said he will have to make and sell an extra 8,000 pies per year to cover the cost of a carbon tax on his business. This is a man who represents so many like him in my electorate who are trying to support their families and my community with no help or compensation from this government.

I have recently visited many manufacturers in Macarthur to see how the carbon tax will affect their business. Most of them have said that they will be worse off, and that the carbon tax could not come at a worse time. They are already struggling against the high Australian dollar, and soon
they will be paying the carbon tax while their overseas competitors will not have to.

In recent months, I have met with businesses such as Nepean Engineering, the TRN Group, Narellan Town Grocer & Deli, Narellan Planet Health cafe, George's on Queen cafe, Sports Spirit, Funnell's Electrical, and many other local businesses concerned about this tax and the impact it will have on their businesses. Some have even written clauses into their contracts which warn customers of the possible price rises that will be passed on once the carbon tax begins on 1 July. And do not get me started on the $10 billion Clean Energy Finance Corporation that will see the government use taxpayers' money to buy shares in green projects which the private sector will not back—that is an absolute and total joke.

What puzzles me most is that under this Labor-Greens policy, instead of reducing Australia's emissions, firms will have to purchase 94 million tonnes of carbon permits overseas each year by 2020. By 2050, it will equate to 1.5 per cent of GDP. How will this help Australia reduce its own emissions and improve our environment? Not one country currently imposes an economy-wide tax on greenhouse emissions or has in place an economy-wide ETS. The US, Canada, India, China and Japan have all made it clear that they are not moving to a broad based carbon tax model like Australia's. The European Emissions Trading Scheme does not cover the whole economy and provides many industries with free emissions permits.

Europe's scheme raised only about $500 million a year, while Labor's carbon tax will raise more in three months than Europe's has in five years. With a population of just over 500 million, the European scheme raised just over one dollar per person per year. With a population of less than 23 million, Labor's carbon tax will raise almost $400 per person per year.

The government claims that China is acting to reduce its carbon emissions, but China's emissions are forecast to rise by 500 per cent from 1990 levels by 2020. In fact, Garnaut's own climate change papers tell us that between 2005 and 2020, Chinese emissions will increase from around 5 billion tonnes of CO2 per annum to over 12 billion tonnes of CO2 per annum. Then we have Australia with the most expensive carbon tax in the world—it starts at $23 per tonne, but it will keep on going up and up and up. Treasury estimates it will be $29 per tonne in 2016; $37 per tonne in 2020; and more than $350 per tonne in 2050.

Like the people of Macarthur, the coalition believes we need to protect our environment today and for future generations. Our Direct Action Plan delivers on Australia's commitment to a five per cent reduction in emissions by 2020. (Time expired)

Calwell Electorate: Graffiti Prevention

Ms VAMVAKINOU (Calwell) (21:35): The Hume City Council in my electorate of Calwell last week received $127,830 of federal government funding aimed at fighting graffiti in our local community. The funding for this project comes from the Proceeds of Crime Fund, which is money confiscated under Commonwealth laws to be used for crime prevention. The funding was awarded to Hume City Council and its partner, The Salvation Army Crossroads, so that they can implement the Write Signal Project, which is part of the council's current graffiti prevention strategy. This strategy has been developed to deal with the increase of the rate of graffiti in our municipality.

The project is intended, on the one hand, to help curb visual vandalism and also, on
the other, to encourage graffiti artists to express their creativity in a socially acceptable manner. Graffiti is illegal in Victoria and it is common knowledge that local councils spend thousands of dollars every year to clean it up. I welcome the approval by the Minister for Home Affairs of this significant amount of money for my electorate.

Graffiti is not a new phenomenon and, in fact, in recent times it has made a bit of a comeback; less as visual vandalism and more as credible artistic expression, now known as street art, with a special social commentary. But there is a fine line between credible artistic expression and the damage to property and imposition of costs that follow because of the need to clean up the damage caused. Most graffiti, particularly the lowest grade, tends to upset many people in the same way that vandalism does. It impacts on state and territory governments, local government, police, public transport and utility providers, local communities and young people in a variety of ways.

Hume council's strategy, which is a combination of graffiti removal and educational programs, is paying dividends, with an notable increase in the amount of graffiti being reported by residents. In recent months the Hume graffiti vans, as they are known, have been particularly active in Craigieburn and Roxburgh Park. In October 2011, 1,170 square metres of graffiti was removed in those two suburbs alone. That compares with an average of 900 square metres per month that was removed in the 2010-11 financial year. The Director of City Infrastructure, Steve Crawley, has said the response from the community to the council's 1300 hotline and other anti-graffiti measures has been very positive. Hume council's education campaign in local schools has also created a new generation of 'Graffiti Warriors' who are proud of the city they are growing up in and want to keep their communities clean.

Although graffiti is an issue of concern for many of our community members insofar as it is seen as delinquent behaviour, there has been limited criminology research exploring the characteristics of graffiti offences and offenders and the impact that graffiti has on communities. But residents, retailers and visitors often feel that graffiti contributes to or causes an atmosphere of neglect and urban decay and that the presence of graffiti in an area can distort perceptions about the actual level of crime and safety in that area. Local police youth liaison officers have indicated that many young people are committing the crime of graffiti vandalism due to boredom, lack of direction and lack of support structures. They have identified that young graffiti artists are using graffiti as a form of self-expression, but that it is also perceived by the community as antisocial behaviour. In 2010, 27 people in my electorate of Calwell were charged with graffiti related offences. In Broadmeadows there were about 76 reported cases and in Craigieburn there were 57 reported cases. Crime data indicates that teenagers in the 15- to 17-year age bracket are the most prolific in numbers of detected offences.

I want to congratulate Hume council for its very important Write Signal project. One of its main objectives is to facilitate an education program for young people in high schools, as I have mentioned. I would like to thank Hume City Council and its partner, Salvation Army Crossroads, who work very hard with our young people in order to improve our neighbourhoods and make life easier for the young people who wish to engage in creative artistic expression. *(Time expired)*
Carbon Pricing

Mr EWEN JONES (Herbert) (21:40):
We are now six days away from the launch of the carbon tax—the tax that dares not speak its name. I would like to use this opportunity to advise the people of Herbert and Townsville just what to watch out for. The government talk a good game—they do not even mention the tax in any of the ads. They will tell you that they are overcompensated for the tax. But what is the truth? We will find out in the months ahead, but there are a few things about which I think you should be very aware.

Those people who will be receiving compensation must realise that it stops at the front door. It will not help you with the costs incurred by business. It will not help you with the food you buy, the bus you catch, the repairs to your roads, the dump where you take your rubbish or the council trucks that collect your bin. All of those costs have to be passed on. Of course, businesses have the option to absorb the costs themselves, but we all know what has to happen: the costs will be passed on to the consumer.

I have talked to my butcher, Paul Bonner, from Sunvale Meats. He employs 12 staff and provides excellent service and sells excellent product. There are a few very good butchers in Townsville so he knows that presentation, service and product all go hand in hand. His power supplier has advised him that his electricity bill will go up by as much as 22 per cent from 1 July. He does not want to hurt his customers but he cannot absorb the costs either. He will never sacrifice service, product or presentation, and his staff are central to that premise. He may simply have to pass on the costs.

In Friday's Townsville Bulletin the owners of Lamberts Produce told how they are buying up big before 1 July to try and get the last of the quality cheap product. Tom Kennedy, a partner in Lamberts, said:
I hope the government bean counters have got it right. This carbon tax is going to bite—I expect more than what the Government wants us to believe. If it wasn't, why are they handing out all this money in payments to households?
Why indeed?

I received a letter from a constituent, Scott, who stated the case on the cost of refrigerant gases. He told me about the sale of HC refrigerant gases from 1 July. The carbon tax will be huge on these gases. Today, a normal re-gas for a commercial fridge will cost you around $80. From 1 July, due to the carbon tax, it will cost over $250. There are two issues here. Firstly, the refrigeration mechanics who do this work will now be exposed to a greater number of defaults, which will eat into their cash flow, thus eroding their business plans. Secondly, HC gases R600 and R290 are butane and propane based and are currently unregulated. If we do not watch out, we will have people going into hardware stores and doing it themselves at home. This, my friends, could be very dangerous to a lot of people.

You will see every business which uses electricity cop it from this tax. Bakers, by the very nature of their business, are heavy power users as compared to the dress shop next door in the shopping centre. Their costs will rise, as will the cost of the bread you buy. So, please, when you turn up and it costs you more for your bread, don't blame the kid behind the counter. Blame this government.

When the shadow minister for the environment, Greg Hunt, asked the Prime Minister a question today about the rising cost of power for small business, she ducked and dived. She did not answer or even address the question because she knows full well, as does her government, what is going
to happen here. But, then again, this government does not care about small business and it certainly does not care about the people who will pay this poorly constructed, poorly consulted carbon tax. And to what end? By how much will our carbon output drop? Nothing. It will rise, and we will have to spend between $3 billion and $5 billion buying carbon credits from countries overseas to 'meet our targets'. All this money churn and it does nothing. Fair dinkum, you would have to be as thick as railway china to come up with this idea. Make no mistake, a coalition government will rescind this bad, bad tax and will replace it with something that works, that will drive down the use of carbon in our atmosphere but do it in a way that actually does something in Australia not overseas. This side of the House under Tony Abbott will provide the people of Herbert, Townsville, and North Queensland with hope for a better world, the reward for effort, and opportunity for everyone in my city, my region and my state to provide for themselves, their families and their future generations.

Chifley Electorate: Western Sydney Wanderers

Mr HUSIC (Chifley—Government Whip) (21:45): In April this year the federal government made two significant announcements which will bring lasting benefits to young people who play football in Western Sydney. First, we announced a special $5 million program to help lift grassroots participation in the game. As patron of the Mt Druitt Town Rangers Football Club and in an electorate where it is estimated there are nearly 10,000 people who play football, I was delighted that the government had committed so generously, boosting participation in what is already one of the most popular of all codes in Sydney.

In 2010 there were approximately 90,000 registered footballers in Western Sydney playing in junior and senior competitions, accounting for over 20 per cent of participants nationally. There are more registered football participants in Western Sydney than in Western Australia, South Australia, the Northern Territory and the ACT combined, with approximately 374 state, league or grassroots clubs operating in the region. Over 50 per cent of the 400-plus Socceroos have hailed from Western Sydney, including Tim Cahill, Mark Schwarzer, Bossa Bosnich, Mark Bosnich, Harry Kewell, Brett Emerton, Paul Haakon and more.

The other major announcement made by Football Federation of Australia CEO, Ben Buckley, in April was the inclusion of a Western Sydney team in the Hyundai A-League. News of a Western Sydney franchise was welcomed by the entire community but most notably by the football fraternity. While many will lay claim to the origins of football in Australia, Western Sydney has a compelling place in the game's history. The first recorded match played in New South Wales under association football rules took place when the Wanderers played the King's School rugby team at the Parramatta Common on 14 August 1880.

In the A-league's predecessor competition, the National Soccer League, there were four and sometimes five Western Sydney teams represented. These were: four-time premiers Marconi Stallions, the Melita Eagles, two-time premiers Sydney Olympic, and three-time runners-up Sydney United, formerly Sydney Croatia. In the 1980s a Blacktown City team also played in the comp.

Given the region's strong links to the game of football, it was fitting today that the new Western Sydney franchise was unveiled as the Western Sydney Wanderers, the same
name as that first team. And when they make their debut in October against the Central Coast Mariners, they will be wearing a striking home strip designed by their apparel sponsor, Nike, which will consist of a red-and-black hooped jersey with white shorts and black socks. The colours and the name reflect the wishes of Western Sydney fans who flock to the FFA's fan nights held all over Western Sydney.

The club has a great deal of building to do in the months ahead, but they have a CEO in Lyle Gorman and they have signed a coach and three players all with links to the region. Head coach, Tony Popovic, has returned where it all began for him. Tony grew up in Fairfield in Western Sydney. He began his career with Sydney United before moving to the J-League in Japan and eventually signing with Crystal Palace in the UK. His career, an impressive career, included 58 appearances for the Socceroos over 11 years, scoring eight goals.

Like many others who grew up in Western Sydney, I am delighted the game's heartland is being represented in its premier competition for the first time since 2004. This is terrific news and I cannot wait to see them play. While few of the game's founders will still be around, I am sure that many of their children and grandchildren are still active and involved in the game in Western Sydney and they will rejoice when a local team proudly takes to the field in the A-League. Our funding the game where it is played most will pay dividends in the years to come both in terms of the social fabric but also our sporting prowess.

Finally, on the day when we welcome our own A-league side, I want to recognise that today is Matilda's star and Quakers Hill resident Kyah Simon's 21st birthday. I hope she has had a great day. Best wishes to a terrific ambassador of the game and a magnificent ambassador for our region.

**Carbon Pricing**

Mr SCHULTZ (Hume) (21:49): Thank you for the opportunity, Madam Deputy Speaker. On 2 June this year, I celebrated 50 years of wonderful marriage to a beautiful woman. That beautiful woman presented me with a new wedding band and in that wedding band there is a piece of carbon. I was just wondering whether those geniuses on the other side would tell me how much emission this little diamond is going to emit to create a problem for us.

The other point that I want to raise tonight is the issue of the $36 billion tax on the Australian people in the way of a carbon tax. It is quite obviously not going to decrease carbon emissions and in fact emissions will increase from 2012 to 2020, by 578 million tonnes to 621 million tonnes. It is obviously a flawed policy reliant on shutting down power stations and buying carbon credits overseas where companies can come into this country and participate in the wonderful treasure trove that is there in the way of cash carbon credits from this incompetent government.

And what about wind turbines? Wind turbines are going up in ever-increasing numbers, dividing our communities and creating massive social problems. What do they produce, or what are they producing at the moment—and I do not think that it is likely to increase—about two per cent of our energy requirement. How the hell are we going to replace coal fired power stations and gas fired turbines and even hydro driven turbines which create and generate electricity with those sorts of inefficient energy replacements?

Electricity companies will pay the most, and they are passing that cost directly to customers. I have pensioners coming to me
concerned about the fact that they are paying at the moment about 60 per cent more for their power than they paid for it last year, and many of them are turning their heaters off, going to bed and putting extra blankets on the bed to keep warm at night in this very cold time of the year. I have had a contractor come to me who employed five people two years ago in his solar and electricity business. He was drawing about $1.6 million into his company. Two years ago it was $2 million. At the end of this financial year, he anticipates that he will only pull in about $300,000. He has dismissed all of his employees because he can no longer afford to pay them. He tells me that he has to supplement his income because he will not make enough money out of what he is producing to live his normal life with his family in the community. I asked him what the problem was and he said, ‘Simply, Alby, people have stopped spending.’ That is a very significant part of what is happening in the retail business in this great country of ours. It is a national disgrace that any government of any political persuasion would bring this sort of penalty down on people who are working hard trying to make a living and being so rewarded for the Australian dream of many years.

I have spent a significant amount of my working life in abattoirs. I visited a number of abattoirs in the last two or three months to find out what is going to happen to them in terms of the 10 per cent hike in the carbon tax as well as what is going to occur with state parliament increases because of rundown infrastructure. The average electricity increase in those abattoirs is going to be about $120,000 a year. A company man from Sarajane Furniture in Cowra which employs about 130 people tells me he will be able to survive for about two years. He uses an enormous amount of machinery which requires a significant amount of electricity to process his furniture. He reckons that he can absorb the cost for about two years, but eventually the escalating price of the electricity is going to put him out of business.

**Media**

Mr FITZGIBBON (Hunter—Chief Government Whip) (21:54): Over recent months we have heard much about the need to review the laws which regulate our media. The debate has been prompted by a range of developments, including the scandal involving the Murdoch press in the UK, an apparent decline in the standards of journalistic ethics here in Australia and the rapidly changing media landscape, driven mainly by technological change. In more recent weeks, public discourse has risen to new heights thanks to the restructuring decisions of both News Limited and Fairfax and the refusal of Fairfax suitor Gina Rinehart to commit to the Fairfax charter of editorial independence.

My views on these matters are well documented and I will continue to argue for new laws to ensure diversity of ownership, high standards in journalistic ethics and the retention of acceptable levels of local content. We have had enough inquiries; it is time to act. Both the Finkelstein inquiry and the Convergence Review urge us to do so. We need more independence in the oversight of media behaviour and we need a public interest test to protect diversity.

The recent intense focus on the changing media landscape and questions about what is an appropriate government response—and the slowness of those responses—have pushed to the background another important debate. That is the need for a more active government approach to the question of privacy. It is now four years since the Australian Law Reform Commission delivered its seminal report on privacy. The
product of two years of research, the inquiry deserves the attention of each and every person who serves in this place.

A key recommendation of the inquiry was the establishment of a statutory cause of action in privacy, commonly known as a tort of privacy. The reality is that, in the 21st century, when a mobile phone camera can send an image or video viral in an instant, we need new and strengthened privacy laws. These issues are more important in a world in which the print media in particular are feeling the weight of technological change. We have seen some of the consequences over the course of the past week. Their response has been to embellish, misrepresent, sex up and do everything possible to create a better story. In some cases, whether the facts are accurate or inaccurate has not been a matter of concern for the publishers. It has been all about circulation and advertising sales in an environment where the print media is under enormous economic pressure.

Arguments that sufficient protection already exists in the area of privacy under the common law or the tort of trespass or for breaches of confidence are simply wrong. To argue that there are protections in the form of the Australian Press Council is absolutely laughable. We have seen the results of that over many years. We have seen the results of self-regulation. We have seen the capacity of the media organisations to withdraw from the Australian Press Council at their will when it suits them. This is no longer sustainable. It is no longer acceptable. The media will continue to argue that the Australian Law Reform Commission's recommendations are a threat to freedom of speech and democracy as we know it. This, of course, is just rubbish and there is no shortage of academics around the country prepared to support my case.

A statutory right to privacy would clarify the law for us all, both individuals and media organisations. It is in the interests of all of us; it is in the national interest. None of us should be fearful of it. It is a good thing for the country, and the government should now embrace those recommendations in the same way that it should embrace the recommendations of the Finkelstein inquiry and the recommendations of the Convergence Review. Some people say that I speak with a jaundiced view on these things because I have experienced these things myself. That qualifies me. I have seen the way the media can misrepresent the facts. (Time expired)

**Carbon Pricing**

Ms O'DWYER (Higgins) (21:59): For the first time in living memory an Australian government is introducing what it claims is an 'economic reform' that will have the effect of reducing our nation's productivity and competitiveness. By introducing a price on the most essential component of an economy—energy—the government's $9 billion a year carbon tax, by its very design, will increase input costs and will have the effect of either reducing outputs or reducing consumption, or both. Given that the Treasurer has said in the past that productivity is essential to the nation's prosperity, it is mind-boggling that he would be implementing an economic change that, in his words, is the 'next frontier' in economic reform by lowering, not increasing, productivity. And all this at a time that the Treasurer acknowledges as the most turbulent since the Great Depression.

It is disingenuous and dishonest for the Prime Minister and Treasurer to claim to be undertaking a productivity agenda while they introduce the world's largest carbon tax, well ahead of the rest of the world. They should heed the warnings of the Productivity...
Commission in their report, where they stated:

... no country currently imposes an economy-wide tax on greenhouse gas emissions or has in place an economy-wide ETS.

It was evident only last week at the latest in a long list of failed UN and other conferences that the Rio summit brought the world no closer to a global agreement on carbon pricing. If anything, it was made clear that many of our trading partners are headed in the other direction, of abandoning plans to introduce economy-wide carbon taxes and emissions trading schemes—if indeed they ever had plans in the first instance. The United States, Canada, Japan and Russia have all moved away from a carbon price. Similarly, the emissions trading scheme that exists in Europe is a $500 million a year tax and is not economy wide. The European carbon price has dropped to around $10 a tonne and is progressively going down.

The government has dismissed the effects of introducing a productivity-crippling carbon tax on trade-exposed industries, and this reeks of arrogance and ignorance. The government claims that only the 'top 500 polluters' will pay. This is plain wrong. If a business finds itself in a position where input costs have increased with no productivity offset, they have two options: pass it on through higher prices and inflation, or absorb the costs. In the latter, in order to protect the most crucial factor—profit margins—the company must reduce expenditure, and the first casualty is always jobs.

I hear so many examples from business and the not-for-profit sector about the impact of the carbon tax. Most recently at one of my mobile office meetings one of my constituents, who runs a business in carton packaging, has calculated that his business faces an increased electricity bill of around $500,000 this year alone. This does not include indirect costs such as increased prices of freight, stock, materials and auxiliary services such as lawyers and accountants. This company is already trying to manage a high Australian dollar while fighting off competition from cheaper alternatives out of South-East Asia and China. This company can either shed jobs to recoup losses, increase prices and risk losing more business to its international competitors, or take its manufacturing offshore. There is no compensation for this business.

This example exposes the great green delusion of the government's carbon tax policy. The dangerous carbon pollution that they say the carbon tax will reduce will simply be produced offshore, in countries that do not have the stringent environmental policies that Australia does. Far from reducing emissions, emissions will increase because the demand for these products will not disappear. Products will simply be sourced from other countries. For a policy that has been promoted as both economic and environmental, the real effects are, in fact, significantly damaging to both.

What is rarely and not clearly explained is the compounding nature of the carbon tax. Unlike the GST, the carbon tax does not replace any other taxes; it is simply an additional one. It cannot be credited against any carbon tax collected, like the GST. If one is to apply Michael Porter's value chain model to the carbon tax, the incredibly detrimental effects the tax will have on inflation become abundantly clear. But do not just take my word for it. Listen to the words of business leaders in Australia like Graham Kraehe AO, chairman of Brambles and BlueScope Steel, who said that 'the inflationary impact is almost certainly understated'. We know that the carbon tax will have a detrimental impact on our economy and on the Australian people. The government still refuses to listen. The
coalition will restore hope, reward and opportunity for all Australians by abolishing the carbon tax. *(Time expired)*

**Climate Change**

Mr Murphy (Reid) (22:04): Bearing in mind the speeches by the opposition tonight, I hope they listen to what I have to say. Despite the relentless denials of global warming by vested interests that support the opposition, evidence supporting the government's decision to take measures to combat climate change by reducing carbon dioxide emissions grows ever stronger. The unprecedented floods in eastern Australia and the record heatwaves and high temperatures in the south-west of Western Australia last summer, together with significantly reduced rainfall levels, all correspond to the well-tested predictions of climate change models.

In Australia, rain-bearing weather systems driven by higher than average Indian Ocean temperatures have dumped record-breaking rainfall in the eastern states, while around the world exceptional conditions have led to extremes of heat and cold. On 2 March this year in some locations in Victoria—Madam Deputy Speaker, I know you would be aware—rainfall broke monthly records in just a single day, and Wodonga recorded 88 millimetres of rainfall in a few hours, which broke the previous March monthly record of 84 millimetres set in 1926. An estimated 70 per cent of New South Wales was flooded or under threat of flooding on 5 March during a time that is normally one of the driest months of the year.

The United States has experienced its fourth warmest winter since records began in 1895 and, while still in what was technically winter, the country experienced a weather pattern normally seen in early summer. Many areas experienced temperatures 10 to 22 degrees above average. At the same time 650 people died in Europe and Asia in February. They were frozen to death in the intense cold that has been linked to changes in atmospheric circulation caused by global warming.

Whilst ignoring the record-breaking temperatures in North America, climate change deniers deceitfully point to the frigid European and Asian temperatures as evidence that global warming is not occurring. Of course, selective use of the evidence by climate change deniers is not new, but the exceptional conditions experienced in the northern hemisphere do deserve a brief explanation. The recent freezing conditions in Europe have been associated with changes in the weather system, known as the North Atlantic Oscillation, together with reductions in sea ice in the Barents-Kara Sea located to the north of Norway and European Russia.

Professor Stefan Rahmstorf of the Potsdam Institute for Climate Impact Research explained that the current weather pattern:

… fits earlier predictions of computer models for how the atmosphere responds to the loss of sea ice due to global warming.

He further said:

The ice-free areas of the ocean act like a heater as the waters are warmer than the Arctic air above it. This favours the formation of a high-pressure system near the Barents Sea, which steers cold air into Europe.

Of course, none of this evidence for the growing impact of global warming driven by increasing atmospheric carbon dioxide levels is of any consequence to the opposition. Ignorance is not evidence, nor should it be the basis of policy, despite the claims of the opposition to the contrary.

The CSIRO's report, *State of the climate 2012*, paints an alarming picture of the ongoing deleterious effects of the cumulative
effects of carbon dioxide emissions on the world's climate. The report notes that the long-term warming trend is continuing, each decade having been warmer than the previous decade since the 1950s. The warming trends observed around Australia are consistent with global-scale warming that has been measured during recent decades, despite 2010 and 2011 being the coolest years recorded in Australia since 2001. Importantly, however, 2010 and 2011 constituted the wettest two-year period ever recorded in Australia.

I am sure that, given the evident hostility of the opposition to the CSIRO and the important work of its scientists, were the opposition to take over the government of our country the CSIRO would be forced to change its name from the Commonwealth Scientific and Industrial Research Organisation to the Climate Science Information Rejection Organisation.

**Carbon Pricing**

Mr WYATT (Hasluck) (22:09): Those were very interesting comments from the previous speaker, but I rise today to speak about the damage that this government is set to inflict on the constituents in the electorate of Hasluck, which I represent. The carbon tax is a $9 billion a year tax which every Australian will pay through their electricity and gas bills. In the first four years it will total $36 billion. Despite this poor policy decision, Australia's emissions will actually increase from 578 million tonnes to 621 million tonnes by 2020. Instead of reducing Australia's emissions, firms will have to purchase 94 million tonnes of carbon permits overseas each year by 2020. The government estimates a rise in electricity prices of up to 10 per cent in five years, although the electricity producers are predicting 20 per cent increases over the next 18 months. Families still have to turn on the lights, cook the dinner, do the washing, run a computer and have heating and cooling. Small businesses face the same price measures but will have no option but to pass on the cost to their customers, forcing prices up in general. The carbon tax comes at the worst possible time for manufacturers, who are struggling against a high Australian dollar, while their overseas competitors do not have this specific increased cost pressure.

I have received hundreds of emails and telephone messages from the community of Hasluck. Let me read out just two quotes from emails that have been sent to me in the last week:

I am a Service widow, surviving on a very low service DFRDB pension … The carbon tax will see the end of any small amount of spare money I can find. Why should I be paying this when there is no reason for Australia to have this tax? Also I will not be one of the ones compensated for the tax.

That was from a pensioner in the north of Hasluck. These are pretty damning words which show how, with the heartlessness of the Gillard government, no heart and no compassion prevails. The next quote comes from someone in the far south of my electorate:

As your constituent, I am writing to you to demand a repeal of the unnecessary, destructive tax on carbon dioxide. This tax will hurt me and my family, as electricity prices go up, the price of goods will go up, and jobs in our local community will be lost. This tax will do nothing to help the environment and is based on a lie. I call upon you to publicly call for its repeal.

As I have said before, there are literally hundreds of similar emails or letters that I could read out today.

Small businesses are also very concerned, for many reasons. Firstly, where is their compensation for this tax? Where is their
money coming from every week to offset the increases in utility prices? It will not be coming. That is why the costs will be passed on to their customers—and this is an environment that is hardly conducive to extra burdens being placed on our small businesses. Another cause of concern is the $10 billion Clean Energy Finance Corporation, which will see the government use taxpayers' money to buy shares in green projects which the private sector will not back. How many government members have invested their super funds in clean energy projects? Green small businesses setting up will get the government handouts to launch their businesses in my electorate, despite the possibility of not being a financially viable project or having already been knocked back by a bank for finance. What a great way of getting a risk-free loan when credible financial institutions will not fund these initiatives. This creates an unlevel playing field and further hurts small businesses that are already under siege.

The European ETS has raised only $500 million a year, while Labor's carbon tax will raise more in three months that Europe's did in five years, according to the Weekend Australian of 9 July 2011. With a population of just over 500 million, the EU scheme raised just $1 per person. With a population of less than 23 million, Julia Gillard's carbon tax will raise more than $400 per person per year. Meanwhile, the US, Canada, India, China and Japan have all made it clear that they are not moving to a broad-based carbon tax model like Australia's.

Whatever spin and deceit comes from the government, the people of Hasluck and around the nation know that the next election will be a referendum on the carbon tax. If elected, the coalition will repeal the carbon tax as soon as possible. In contrast to this pie-in-the-sky policy of the Labor Party, the coalition's direct action plan will deliver on Australia's commitment to a five per cent reduction in emissions by 2020. It is a simpler way and delivers better environmental outcomes without a carbon tax that drives up prices for families and businesses in Hasluck.

**Carbon Pricing**

**Ms PARKE (Fremantle) (22:14):** I agree with the constituent quoted by the member for Hasluck that her very existence is in danger, but not for the reasons stated—rather, because of dangerous climate change. Next week we come to a juncture where we will for the first time put a price on carbon and, in so doing, move Australia along the path of innovation and sustainability and away from the old road of fossil fuel dependence and degeneration. The driving imperative for the carbon price has been clear for some time: it is the need to reduce Australia's carbon emissions as part of a shared international commitment to global emission reductions. It is aimed at limiting the increase in average global temperatures by the end of this century to two degrees above pre-industrial levels. Beyond that level of global temperature increase we know that the consequences will be grave and extremely difficult to mitigate.

This is not an unlikely hypothetical scenario; current commitments, including Australia's, are putting us on track to global warming of at least four degrees. Consider the impacts of the 0.8 degree temperature rise that we are already seeing in Australia. Extreme weather events are at the forefront of our national consciousness. Residents of New South Wales, Victoria and Queensland are still picking up the pieces after large-scale flooding and cyclones. In WA, extended periods of hot, dry weather and low rainfall have led to out-of-control bushfires. We are also seeing coral bleaching on our reefs, species migrations and so on. If this is
the effect of a 0.8 degree temperature rise, you do not have to be NASA's head climate scientist to see that the effect of a fivefold increase in temperatures by the end of the century will be catastrophic.

In March, the CSIRO and the Bureau of Meteorology released the *State of the climate 2012* report, confirming the global warming trend based on ground, ocean and satellite based observations. In late 2011, leading international climate scientists attended the Four Degrees or More? conference at Monash University. The final report from that conference documents projected and expected devastating impacts of an average temperature increase of four degrees by 2100 on the economy, on terrestrial species and ecosystems, on marine and coastal environments, on agriculture and food security, on human health, on cities and towns and on regional security, where it is expected that drought and food shortages, sea level rise and storms will dislocate hundreds of millions of people already referred to by some as 'climate change refugees'. Across Asia and the Pacific, in such a situation there will be no stopping the boats.

Earth and palaeoclimate scientist Dr Andrew Glikson of ANU has noted that what is significant is the pace at which the climate is changing. It is changing so fast species will not be able to adapt. He has written that the rate of greenhouse gas rise of about plus-two parts per million CO₂ per year is the fastest rate identified in the geological records of the last 65 million years. This is underlined too by the 2011 UN Environment Program report, which states:

There is alarming evidence that important tipping points, leading to irreversible changes in major ecosystems and the planetary climate system, may already have been reached or passed. The irresistible rationale for introducing a price on carbon is that carbon has a cost. The urgency is founded on the fact that climate change is occurring and will deliver environmental, social, health and economic impacts that must be avoided.

The exhaustive social and economic analysis in this country and elsewhere shows that it will be both more effective and cheaper if we act to interdict as much of the consequences of global warming as early as we possibly can. That view is shared by 89 developed and developing countries, which together make up more than 80 per cent of global emissions, and that also make up approximately 90 per cent of the global economy. The Australian government accepts our part of the challenge. With approximately 1.5 per cent of global emissions, there are only 10 countries contributing more greenhouse gas to the atmosphere than Australia and, of course, we contribute the most on a per capita basis.

It is absolutely right that a country like Australia, with a strong and well-developed high-carbon economy, and with a tradition of making key contributions to efforts that require international cooperation, now play its part in the urgent global effort to address climate change. But it is also urgent that we put Australia in a position to participate in the burgeoning renewable energy and energy efficiency economy. Total global investment in renewable power and fuels reached $211 billion in 2010, a 32 per cent increase on 2009 and approximately 5½ times the investment made in 2004. While the steep climb in global renewable investment is very welcome, it is also a clear reminder that the world is moving very fast in this area, and we would be kidding ourselves if we thought Australia was leading the charge or even going out on a limb here.

I think it is vitally important to emphasise that both the economics and the science are guiding the government's actions on the
carbon price. Recently American scientist Daniel Nocera noted that every year our burning fossil fuels will release a million years of photosynthesis. By putting a price on carbon we are making that step across the line that divides a wasteful, irresponsible and dangerous past from a forward-looking, inventive and sustainable future, and 1 July is an important milestone in that regard. (Time expired)

**Carbon Pricing**

Mr CRAIG KELLY (Hughes) (22:20): I was very interested to hear the comments of the member for Reid tonight. My advice to him would be not to sell his coat. Last month here in Canberra was the coldest May in 50 years. Across the Tasman, in Christchurch, only two weeks ago they had their coldest day ever recorded—going back to 1860.

However, that is not what I rose to speak about tonight. The question I wanted to pose to the House is: if you deliberately wanted to undermine our nation's prosperity and if you deliberately wanted to inflict harm upon the Australian nation, what would you do? The very first thing you would do is attack our national competitive advantage—our low-cost electricity—and that is what this government plans to do with its carbon tax. By imposing the world's largest carbon tax upon the Australian nation, this government is undermining the very foundations of our prosperity. We have the absolute absurdity that, under Labor's carbon tax, Australian coal can be shipped to any one of the massive new coal-fired power plants that China is building to drive prosperity in China. But, if we use that same piece of coal here in an Australian power station, it would be subject to Labor's carbon tax. This policy will simply place Australian businesses at a competitive disadvantage and drive jobs offshore for absolutely zero environmental gain.

The second thing you would do, if you wanted to undermine our national prosperity and if you wanted to deliberately inflict harm upon the Australian nation, is peddle the Hollywood fantasy that we can drive our economy with wind turbines and solar panels. These sources of power will only ever be tokenistic and their use cannot change the temperature of the globe.

The third thing you would do, if you wanted to undermine our national prosperity, is make an all-out assault upon small business—and that is exactly what this tax does. It is a vicious and destructive tax that will be imposed upon hundreds of thousands of the small businesses which provide most of the jobs for people in Australia.

The fourth thing you would do, if you wanted to damage our nation and undermine our national prosperity, is seek to destroy the dream of home ownership for the average Australian citizen—and that is exactly what this government plans to do. The level of home ownership in Australia rose sharply after 1947, when only 53 per cent of Australian families owned their own home. The ownership rate for families continued to rise steadily during the Howard years. But, as the recent census has revealed, there has been a shocking reversal of the trend in home ownership. There has been a decline in home ownership under this Labor government which is believed to be the sharpest on record outside a recession. Labor are set to make this situation worse, with the Housing Industry Association estimating that the carbon tax will add $5,000 to $6,000 to the cost of the average home. Simply put, this carbon tax will make it harder for the average Australian to own their own home.

The fifth thing you would do, if you sought to damage our nation and undermine our national prosperity, is peddle fear and doom to our children and make them...
pessimistic about the future—and that, as we have heard in tonight's speeches, is exactly what this government is doing. They have used propaganda to indoctrinate our children about an impending climate apocalypse in which all the polar bears will die and millions of people will drown as a result of rising seas levels—and in which those left alive are going to experience endless drought and violent storms. This is exactly what this government is doing through the scaremongering of its climate change commissioner.

Finally, if you wanted to damage Australia, you would undermine trust in our political system. Again, that is exactly what this Labor government has done through the breaking of the promise made by the Prime Minister, in the dying days before the last election, that there would be no carbon tax under a government she led.

In short, if you wanted to damage the Australian nation and undermine our national prosperity, you would be supporting the policies of this Labor government and you would be here in this chamber supporting this carbon tax. So it is no surprise that, on the anniversary of the coup d'etat inspired by Labor's faceless men which deposed the member for Griffith, we see most members of the government, rather than having celebrations and merriment, walking around the House as though they were on their way to a wake. (Time expired)

Coalmining

Mr STEPHEN JONES (Throsby) (22:25): I commend all members of the House who were able to keep a straight face during the contribution of the member for Hughes just now—particularly during the part of his dissertation where he condemned those on this side of the House for 'peddling fear and doom', when what we have seen from those opposite, and particularly from the member for Hughes, is a 12-month campaign of nothing but fear and doom. I will have a few things to say about that during this adjournment address, because on this side of the House jobs and employment are our priority.

In the Illawarra and Southern Highlands region, there are still many locals who are locked out of the benefits of the resources boom. Since speaking recently in parliament about these issues, I have been contacted by many constituents who are desperate to find employment in one of these resource projects. Against this backdrop it was very welcome news for the people of the Illawarra when last Friday BHP Billiton approved an $833 million investment in coalmining ventures in the Illawarra. This represents the largest capital investment by BHP Billiton ever in its Illawarra coal subsidiary. The new mine will support the ongoing employment of over 500 workers, currently employed at its West Cliff mine, and will generate 300 new jobs in the construction phase.

It is welcome news that $833 million has been committed to Illawarra coal—and just days before the introduction of the carbon price. I hope this welcome news will put a stop to a planned visit by the Leader of the Opposition—or at least the fear campaign he has been attempting to spread around my electorate and many others, predicting gloom, doom and the death of the coal industry. The Leader of the Opposition should be held to account for talking down Australian jobs and the coal industry in regions like mine. I hope he will be held to account for the baseless fear and insecurity that he has generated—not, I should say, amongst those who actually work in the coal industry. They look at the Leader of the Opposition and they laugh, because they can see expansion in their own pits and expansion in the industry, and they see through his baseless fear campaign.
Last year, the Leader of the Opposition visited Peabody Energy in the Illawarra and predicted its demise as well. Unfortunately for him, a day or so later Peabody Energy announced a $5 billion takeover bid for Australian miner Macarthur Coal. So much for a lack of faith in the industry. Coal has a strong future in our country and in my region. There has been an upward revision from $96 billion to $107 billion in the investment pipeline for coal in this country.

However, there are some real threats to the future of coal and coal jobs in my electorate. I would like to take this opportunity to point out some of the hypocrisy of the Liberal Party when it comes to the coal industry. Just a week ago in the Southern Highlands, Liberal Party councillors on the Wingecarribee Shire Council voted with their Greens colleagues to attempt to bring a stop to the expansion of the Medway Colliery from 220,000 tonnes per annum to 460,000 tonnes per annum. If the Liberal Party are successful in this bid, it will have a devastating effect not only on Boral’s mine but also on the cement works. The cement works and colliery have operated in tandem for over 90 years and they are dependent upon each other. They are an important source of employment and wealth generation for the region and they employ more than 180 workers and contribute more to the community through the procurement and the multiplier effects of wages earned and spent locally. The town most affected by the application is now known as New Berrima. It was built as a dormitory suburb for the mine in the first place, and for families at the nearby cement works. So while cement is a critical product in our national and regional development, it operates in a very competitive international environment.

Threats to the Boral cement works through the recent decision, supported by Liberal Party councillors on the Wingecarribee Shire Council, should be resisted. If those opposite wanted to do something for the future of the coal industry and coalmining jobs in my region, the member for Hughes would pick up the phone to his Liberal colleagues in the adjoining electorate and tell them to do something about the position that has been adopted by their councillors in relation to this mine, because good hardworking families in my electorate depend on this cement works and the adjacent mine for their livelihoods, and the decision by the Wingecarribee Shire Council puts those jobs at risk.

Ms Roxon to present a bill for an act to amend the law relating to finance, and for other purposes.
The DEPUTY SPEAKER (Mr Georganas) took the chair at 10:31.

CONSTITUENCY STATEMENTS
Riverina Electorate: Carbon Pricing

Mr McCORMACK (Riverina) (10:31): The Riverina, as with each and every corner of this wide, vast land, will be hit hard with the carbon tax, and my constituents are not happy. The people I represent have every reason for feeling angry, frustrated and indeed cheated. This government has no mandate for imposing such a tax on the people against their will. Five days out from the 21 August 2010 election, the Prime Minister uttered those words which she must now truly regret: 'There will be no carbon tax under the government I lead.' That is what she said. Not long after, at the behest of the Greens, with whom Labor as well as the so-called Independents cobbled together an unholy alliance to form government, the Prime Minister announced that she would be putting a price on carbon.

There you go, I have said it: a price on carbon. If I can say that, why can't those on that side utter the words 'a tax on carbon'? We all know that, essentially, that is in fact what it is: a tax. Those opposite know that it is a price, a high one, on the way people live. It is a tax on the way they live. If people are supposed to change their lifestyles to help save the planet, as decreed by Senator Bob Brown and his successor, Christine Milne, then why is Labor giving people a household assistance package to—as it claims—more than make up the difference? If that is the case, people will not alter what they are doing in order to create less carbon emissions. It makes no sense, and Labor knows it.

Labor members, nervous about their seats at the next election—which cannot come soon enough—know that their constituents are also nervous about increasing costs of living. In the Riverina, at least three local councils have been placed in the Labor-Greens carbon tax crosshairs. Griffith City Council, Wagga Wagga City Council and Coolamon Shire Council have been placed on Minister Greg Combet's carbon tax hit list because they have people who dare to take rubbish to the dump. Those people, many of them mere bush battlers, cannot understand why they will now be hit with the triple whammy of higher tip user fees, higher council rates and increased costs of living under the carbon tax.

Take for example—one example of many—Joyce Lucas, an age pensioner from the Wagga Wagga suburb of Ashmont. She is deeply concerned about how she will afford her electricity bill under the carbon tax. At present, she is struggling to pay her rent and amenities. She is currently paying three-quarters of her income to rent and bills. She is already paying $180 before usage on her gas and electricity. She is worried that the carbon tax will increase this proportion to 100 per cent, and she has been advised by Centrelink to return to work, even though she is over the retirement age and has recently been battling cancer. Her neighbours are turning off their gas because they cannot afford their heating.

Councils will pass on their carbon costs to ratepayers, and pensioners such as Joyce from Ashmont will be whacked again. It is not going to save the planet, because Australia's
emissions are miniscule compared to those countries which are not imposing and have no intention to impose an economy-wide carbon tax.

Walk Together

Mr GEORGANAS (Hindmarsh) (10:34): Today I rise to congratulate everyone who took part on the weekend in the Walk Together walk. Walk Together was an event by Welcome to Australia to celebrate Refugee Week. Walk Together was a celebration of all that diversity adds to our society, culture and nation as we recognise that we have all walked different paths to become part of the combined Australian journey. Each walk finished at a place of local significance with a small festival celebrating the diverse cultures that make up the Australian experience. It gave everyone in the community—long-term Australians, Indigenous Australians, refugees, migrants, international students and all other Australian citizens—the chance to welcome the latest arrivals to our community and to demonstrate our support for its beautiful multicultural reality.

Walk Together took place in 10 capital cities and several regional cities around the nation and was a very successful day, with more than 1,000 people attending in Adelaide, Sydney and Melbourne and very strong turnouts elsewhere. In Adelaide I attended the walk with Premier Jay Weatherill and the Minister for Multicultural Affairs, Jennifer Rankine. It was great to see former Premier Lynn Arnold, Kim Heibenstreit from Thebarton Senior College, Senator Don Farrell and many others there. Walk Together was very successful all around the country. Congratulations to Brad Chilcott, the founder and director of Welcome to Australia, on organizing this wonderful event.

Throughout the walk, the thoughts of participants were with the people who lost their lives in last week's boat tragedy—17 bodies have been recovered and 110 people have been rescued. If there is one good thing to come out of these terrible events, it is that it has become increasingly obvious that it is time to end the politics of fear and division when it comes to asylum seekers. We need to not only walk together but work together too—as a community and as politicians. If there is one resounding message from Walk Together, it is that change has to start from here, from this parliament we have been elected to. We cannot expect our communities to walk together unless we in this place start to work together. (Time expired)

Infrastructure

Mr WYATT (Hasluck) (10:37): I rise today to address some inaccurate information being distributed in my electorate of Hasluck by Labor Senator Glenn Sterle. On Friday, the senator distributed a letter, which I have right here, claiming that the Gateway WA project would not be delivered under an Abbott led government. I refer the senator to the shadow minister for transport's commitment before the 2010 election that the infrastructure funding would be provided in future AusLink funding rounds under a coalition government. The coalition does not need a great big tax to deliver these essential infrastructure projects and the senator should not be purporting otherwise.
However, the senator is correct in stating that I voted against the mining tax. I voted against the mining tax because it will adversely affect the future of many businesses and individuals within the community of Hasluck. A number of people and businesses, such as HVLV and the Pilbara Access Group, depend on a thriving mining industry to succeed. Rather than playing cheap politics, the senator should instead be worried about the wider impacts of the mining tax and the carbon tax. The carbon tax comes into effect on 1 July and will impact on the families, businesses and residents of Hasluck. Under the carbon tax, the cost of living will increase for everyone in our community. Electricity prices will go up, using the government's own figures, by at least 10 per cent and gas prices will rise by nine per cent. This is a cost the community of Hasluck does not need. The carbon tax will have a disastrous effect on small businesses as well. The senator needs to walk the walk to deliver.

Prime Minister Julia Gillard stated categorically before the last election:
There will be no carbon tax under the government I lead.
What the senator really needs to do, instead of distributing clearly false information, is explain why he voted for the carbon tax, why he voted to put even more cost pressure on families and local businesses and why he supported a tax which was never wanted by the Australian people and which the Prime Minister promised was not going to be implemented under this Labor government. No matter what short-term compensation is given to families, they know that Labor cannot promise that they will not be worse off under this tax. I have residents contacting me daily saying they cannot believe the financial mismanagement and mess that this government has created. The senator needs to stop the inaccuracies and the falsehoods and start standing up for the community of Hasluck in Western Australia instead of playing cheap politics. Information is often sent within the realms of politics, but it needs to be accurate. It needs to reflect the truth of the matter and look at the commitments that are made by the coalition. The Gateway project was also a state government initiative. It is a Commonwealth-state initiative and will be delivered under the guidance of the state government.

Native Title

Ms PARKE (Fremantle) (10:40): I acknowledge the Ngunawal and Ngambri peoples as the traditional custodians of this land, as well as the Nyoongah people in the south-west of WA, and pay my respects to their elders past and present. I would also like to reflect on those words, the tireless battle for recognition they represent and the progress Australia has made in giving proper recognition to Indigenous people as the first Australians. Only weeks ago we celebrated the 20th anniversary of a definitive moment in Australian history, the High Court decision in Mabo, the beginning of Australian legal recognition of native title.

Eighty-five-year-old Nyoongah elder Patrick Hume, a resident of Bibra Lake in my electorate, is one of the few surviving elders whose testimony before the Federal Court of Australia assisted in proving Nyoongah native title in the Swan River region, known to the Nyoongah people as the Derbarl Yerrigan. Over a 30-year period, Mr Hume has worked with successive Western Australian premiers and the WA Department of Indigenous Affairs to secure more than 300 Aboriginal heritage sites across WA. Ten years ago he stood before the Federal Court to make his own claim for Nyoongah native title. Through changing governments and government policy, and in the face of intolerance and inequality, Patrick
Hume has remained true to his values and beliefs and he has pursued his ideals with unceasing energy, passion and his indomitable strength of conviction.

Mr Hume is one of the founding members of the Aboriginal Medical Service, the Aboriginal Legal Service and the Aboriginal Housing Board. He led the Aboriginal Advancement Council in the 1970s and volunteered in the 1980s and 1990s to drive deceased elders back to their remote communities so that they could be buried in their country. The remembrance, observance and practice of Nyoongah culture has always been at Mr Hume's core, and many WA school children have benefited from the knowledge of Nyoongah traditions he has passed on to them. Patrick Hume has even met the Queen on two occasions.

He has been at the forefront of efforts to prevent the WA state government putting a highway through the middle of one of the last remaining wetlands in the southern metropolitan region—the Beeliar wetlands—a site of immense cultural and spiritual significance to the Nyoongah people as well as enormously important from an environmental standpoint, being home to a number of endangered species and migratory birds. Mr Hume has championed the establishment of the Mandjah Boodjah Aboriginal Corporation's Indigenous housing initiative in my electorate, where senior Aboriginal people from the Fremantle community reside and where young Aboriginal people can come to feel welcome and safe and to receive mentoring from their elders.

The Nyoongah people have lived in WA's south-west for tens of thousands of years and have many culturally significant sites. However, recently the WA Barnett government moved to extinguish native title in south-west WA as a condition of current negotiations with the South West Aboriginal Land and Sea Council. I want to say in this place how important it is that we stand against the dismantling of native title by the WA government and work to support the legacy that Patrick Hume, Eddie Mabo and many others worked so hard and so long to achieve.

**Griggsy's Green Thumb Tropical Garden Awareness Safety Program**

Mrs GRIGGS (Solomon) (10:43): I rise this morning to advise the House of a new awareness program I launched recently in my electorate. The Griggsy's Green Thumb Tropical Garden Safety Awareness Program involves working with primary schools and preschools in my electorate to educate students on the importance of tropical garden safety and environmental sustainability. This is a practical environmental approach, unlike Labor's carbon tax.

I am delighted that Estelle Cornell, owner of Allora Gardens Nursery and the Northern Territory Telstra Business Woman of the Year, has teamed up with me on this very important program. For every tropical tree or plant I buy for the school, Estelle kindly donates one to them as well. She also joins me visiting the schools where we educate the students about the trees and plants, where they should plant them, what type of fertiliser to use, when to water them et cetera. We also oversee the planting of the trees and plants. The students just love it and are so enthusiastic.

Gardening in the tropics has potential health risks, as I have talked about in this place before. I learnt that earlier this year with my husband, Paul, a keen gardener, contracting the potentially fatal bacterial disease melioidosis or, as it is known locally in the Territory, Nightcliff gardeners disease. It is also known as Whitmore's disease or paddy-field disease.
Disturbingly, this year alone 97 Territorians have contracted the disease. Sadly, the fatality rate each year is around 10 per cent of those that contract the disease. I am lucky that my husband was not in the risk category for the disease, which he caught by being scratched by a piece of fencing wire which had been lying on soil in our yard that was contaminated with melioidosis. He is on the road to recovery. It has been a long time coming—about six months—and he is still getting there.

My Griggsy's green thumb program has been at the Larrakeyah Primary School, with principal Graham Chadwick very keen to be involved in the program. A big thankyou to Shelley Ferguson, who is a passionate educator and has excellent gardening skills. It was wonderful that Kelly Packer's year 4-5 class could be involved in the pilot program. The very keen enthusiastic students included Chelsea Abraham, Lachlan Anderson, Joshua Bentes, Alex Bishop, Kutura Buwurr, Evelyn Carapetis, Nadya Dravitski, Isaac Drummon, Jose Feliciano, Amy Ferguson, Liam Franklin, Bradley Guwayin, Jamie Hannon, Kemal Kindel, Jed Kofoed, Blake Lambert, Keith Matilla, Peter Pangquee Widy Sarwono, Trent Shearer, Zac Van Dam, Yehani Wanigaratne, Huw Wiltshire, Jayden Withy and my dear friend Fiona Peter's son, Ethan Anderson, along with another dear friend Heidi Loy's son, Riley Loy, were of great assistance on the day. After the winter recess I will be able to update the House on visits to the other schools in my electorate and educating them on this very important program.

**Bass Electorate: Haywards Steel Fabrication and Construction**

Mr LYONS (Bass) (10:46): I rise to speak of a local steel fabrication and construction company in my electorate of Bass who are doing some terrific things: Haywards and Crisp Brothers. They are a Tasmanian based steel fabrication and construction company who employ 240 workers, including an impressive number of 35 apprentices.

Different career paths made available through the apprenticeships are those of qualified tradesmen, supervisors, managers, project managers, welding supervisors and inspectors. There are workshops around the state, including in Kings Meadows in my electorate but also at Western Junction, Wynyard and Hobart. This is where all of the projects that the company undertake are fabricated—locally, in Tasmania—and then shipped to other states.

Some of the current projects that the company is undertaking are to manufacture fifty-six 80-metre-high wind towers for the Musselroe Wind Farm, in the north-east of Tasmania; the fabrication of bridge girders for the M80 upgrade in Melbourne; the fabrication and installation of coal stackers in New South Wales and Queensland; the installation of mining equipment in the Pilbara area; and the manufacturing and installation of an air walk in New Zealand, similar to the Tahune AirWalk. Other impressive, previous projects include the fabrication of the outer rim for the Southern Star Observation Wheel at Docklands; the fabrication of the roof steelwork for the new AAMI football stadium in Melbourne; the manufacturing of a woodchip ship loader at Geelong port; and the fabrication of fuel storage tanks for the Brisbane Port.

Haywards works closely with other Tasmania industries and businesses, including TEMCO, Rio Tinto's Bell Bay aluminium, Cement Australia at Railton, Hydro Tasmania, TasRail and Caterpillar. Haywards pride themselves on being 100 per cent owned and managed by Tasmania. They have close management-employee relationships with a strong focus on quality and the commitment to deliver projects on time.
I recently visited the Haywards site at Western Junction and met some of the local employees. It was fantastic to see the enthusiasm of the workers talking about the projects that they are undertaking. I was also thrilled to hear about the size of some of the projects that are on the go at the moment, not only the towers for the Musselroe Wind Farm but also interstate projects. This is a strong endorsement of the company and their workmanship.

I would like to congratulate Steve Edmunds and his team at Hayward and Crisp Brothers on their involvement in some terrific projects and wish them all the best for a strong and successful future in the industry.

**Longman Electorate: Carbon Pricing**

Mr WYATT (Hasluck) (10:49): One of my constituents recently wrote to me saying, with the cost of water electricity and council rates increasing seemingly out of control, most families are stretched to the limit when it comes to monetary matters. Although these words are the words of one man named Bill, these are the words that are regularly expressed to me. Bill's experience with the rising living cost is similar to the difficulties faced by many people in my electorate. It is an experience that is set to become far worse come the beginning of July with the introduction of the carbon tax. At the hands of the carbon tax, people in my electorate will be lumbered with the cost hikes in almost all areas of their lives: electricity, gas rates, groceries, council rates, water rates and transport. The list goes on, and all these costs are set to escalate due to the carbon tax.

We have heard endless spin from those opposite. The reality is this: the people in my community will unfortunately feel the carbon tax seeping into all areas of their lives. This is, after all, the very intention of this new tax. Those opposite seem to have conveniently forgotten that business will be forced to pass a cost incurred under this tax onto consumers. Families will foot the bill for this great big new tax. It simply defies logic to assume that individuals will not be paying more at the grocery store for fruit and vegetables that have been transported in a truck that has been hit with the increa:**

I might not be the most religious member of this place, but perhaps we all need some divine intervention come 1 July. Thank you.
Mr Marles (Corio—Parliamentary Secretary for Pacific Island Affairs and Parliamentary Secretary for Foreign Affairs) (10:52): I would like to talk about a safety issue at one of the schools in my electorate. St Patrick's Primary School in Geelong West is one of the city's oldest Catholic primary schools. Last year, it celebrated its centenary. A wonderful milestone, particularly given the school is currently growing at historic levels. Next year, the school expects enrolments of 420 kids. That is up from 375 students this year and from just 150 students in 2006. It is phenomenal growth, and all the more remarkable given that Geelong West is an established suburb, not a new area. The school has worked extraordinarily hard to ensure quality accommodation for all its students, and added six classrooms this year.

I am pleased to add that the federal government funds from Building the Education Revolution came just at the right time and allowed the school to improve its assembly area and library, as well as create additional classroom space.

The issue I want to talk about today is the safety of students once they leave school grounds. St Patrick's is bounded on three sides by suburban streets: Petrel and Britannia Streets and Clonard Avenue. These three streets are quite narrow and can be extremely busy, especially during school drop off in the morning and afternoon pick-up times. The problem is that none of these streets have a dedicated school crossing. There is no safe place for children to cross the road. When you consider the mix of narrow streets congested with parked cars and moving cars weaving in and out, picking up children, as well as children and their parents trying to cross roads at any point, you have a potentially lethal combination.

There have been no accidents so far; this is a blessing. But the school says there have been a few near misses and they are extremely worried for the future. This issue is not unique in Geelong and to St Patrick's. Next year, 420 students will be trying to leave the school grounds in a short space of time, heading off in three directions with no safe place to cross the road. Already, the teacher on afternoon yard duty acts as de facto pedestrian coordinator on the footpath outside the school. Worse still, the walking school bus is losing volunteer parents, because the risks to safety have become all too apparent. The school has petitioned the city of Greater Geelong in the past about this issue. The council has assessed the traffic levels and offered to send a traffic educator to talk to the students, but I believe the time has come to take this issue a bit further. The school needs dedicated school crossing and maybe clearway zones along some of the streets, particularly Clonard Avenue during peak times. In the coming weeks, my office will be meeting with Councillor Barb Abley, the local ward councillor for the area, and a council engineer at the school at pick-up time so the city can see for itself the problem firsthand and have a good look at how this issue can be resolved. The growth of St Patrick's is to be celebrated, but that should not mean we allow safety to be compromised.

Mr Buchholz (Wright) (10:55): My electorate of Wright is predominantly a regional and rural precinct, starting from the top of the Toowoomba range and going over to Mudgeeraba and the Gold Coast. We are in the midst of our show circuit season, so we have all these regional shows. As we move through the show circuit, there is one thing on my constituents’ lips, and it is their concern about the carbon tax. It is a real fear out there. I have punters that are doing it tough with cost-of-living pressures, and they have real concerns that
the compensation package put up by the government will go nowhere near mitigating the real cost of this tax—no more so than this weekend, at the 84th Annual Mudgeeraba Agricultural Show.

The show was well attended by a number of dignitaries and a number of locals. First, let me acknowledge Karen Andrews, the member for McPherson, who was present and who quite proudly entered a patchwork piece into the show and came second—a great achievement for Karen. It was a jumper that turns into a handbag. The show was also attended by the Hon. Ros Bates, the state member for Mudgeeraba. She is also the Minister for Science and Information Technology, Innovation and the Arts up there in Queensland and is a well-known identity through the electorate. The Hon. John McVeigh, the member for Toowoomba South and the Minister for Agriculture, Fisheries and Forestry, was also there. John raised a number of concerns with me when he was at the show with reference to the effect of the carbon tax right across the whole agricultural sector in Queensland and some of the feedback he was getting about the impact of that tax.

At a local level, it was attended by Glenn Tozer, the newly elected local councillor for division 9. He is also the Deputy Chair of Governance, Administration and Finance, and past president of Bonogin Valley Community Association. Glenn rightly has concerns about the waste-refuse tip at the Gold Coast which is in the crosshairs of this Labor-Green coalition, and the additional costs that will be passed onto the community.

A lady who did not have the time to speak to me about the carbon tax is the well-known Helen Ripper, the Mudgeeraba Show Society President. Helen does a fantastic job at that show every year and, if anyone has the opportunity to get to Mudgeeraba for that show, I would encourage them to do so. Helen has been there for nine years. She started off as a steward with a one-metre square table and now she looks after 10 acres. Good work, Helen, and I look forward to catching up with you in the future.

Chifley Electorate: Hospitals

Mr HUSIC (Chifley—Government Whip) (10:58): One of the priorities I have had since being given the honour of being elected as the member for Chifley is to apply myself to ensure that I can do whatever I can to boost the quality and availability of healthcare resources in our area. We have a terrific hospital, Mount Druitt Hospital, that this year celebrates its 30th anniversary. During that time it has managed, particularly in recent years, to score amongst the highest in terms of satisfaction of patients with their treatment and quality of care. But we can always do better.

A few years ago my predecessor and friend, the Hon. Roger Price, along with the state member for Mount Druitt, Richard Amery, kicked off a campaign to secure a licence for a magnetic resonance imaging machine to be situated at Mount Druitt Hospital. The reason was that we have large areas where people are unable or it is a big trial for them to get to Blacktown or Nepean hospitals to access MRI machines, and we wanted to make it as easy as possible for them to get effective imaging and diagnostic assistance. I have raised this matter at the federal level with the previous minister for health, the Hon. Nicola Roxon, and with her successor, Tanya Plibersek. For me and for many others, getting an MRI is important on a number of levels. Firstly, it provides improved health services for residents and it is a lot more accessible, particularly in an area where the proportion of people holding a drivers licence is lower than the rest of Sydney. People rely on public transport, which is not always available,
so being able to get to Mt Druitt Hospital is very important. There are fewer trips, obviously, to Nepean and Blacktown hospitals. Also, MRI provides for better diagnostics and is safer than other forms of imaging.

Community sentiment on this issue is strong. I have distributed to households in the 2770 postcode area 20,000 petitions. Already in the first week I have received nearly 500 responses. The state member, Richard Amery, and I intend to keep our focus on getting this resource for our area and we welcome the support received so far. I also want to reflect on a fantastic function I went to on Saturday night at Blacktown's Bowman Hall. The Sub-Continent Friends of Labor held a function attracting 600 people with an Indian background, including Pakistani, Bangladeshi, Nepalese and Sri Lankan backgrounds and Fijian Indians. They were there to celebrate and to hear from Senator Bob Carr, the Minister for Foreign Affairs. I want to thank Harish Velji and all those who make up the committee, Ejaz Khan, Balaji Venketaranghan, Amarinder Bajwa, Parvez Khan, Balraj Sangha, Aisha Amjad, Jay Hosur, Surnar Shah, Prabajot Sandhu, Varuni Bala and Moninder Singh for all their efforts.

(Time expired)

The DEPUTY SPEAKER (Mr S Georganas): In accordance with standing order 193, the time for constituency statements has concluded.

PRIVATE MEMBERS' BUSINESS

Heavily Indebted Poor Countries Initiative

Debate resumed on the motion by Mr Oakeshott:

That this House instructs the Attorney-General to, as soon as practicable, draft and introduce legislation to curb the facility for creditor litigation in Australia against those countries who have been deemed by the International Monetary Fund and World Bank eligible for debt relief under the enhanced Heavily Indebted Poor Countries Initiative, with similar effect to the United Kingdom’s Debt Relief (Developing Countries) Act 2010 which received tripartite support in the United Kingdom Parliament.

Mr OAKESHOTT (Lyne) (11:01): I thank colleagues for allowing this debate to occur. It is an important one not only for the international community about also for Australia’s sovereign position in the way Australian aid dollars are use. This comes from a lot of work done in the United Kingdom on debt relief. There was a 2005 UK report into heavily indebted poor countries which led to a tripartite supported bill in the UK parliament known as the Debt Relief (Developing Countries) Act 2010. At a time in the Australian parliament when bipartisanship is so difficult to achieve, it is good to see another jurisdiction in a minority government delivering tripartite support for something of such importance. It can be done when people act in good faith. The significance of this bill is obviously to provide relief through an international initiative on heavily indebted poor countries. Around 40 eligible countries are involved in dealing with their significant problem of debt, which then applies obvious pressures on any form of program delivery for those countries to participate in the modern economy, whether it is through progress in agriculture, women's health, education or basic governance principles. All of those issues become secondary in a country trying to work its way out of a very heavy loading of debt through questionable dealings.

I fully understand concerns in regard to chasing dodgy lenders and having a parallel exercise of pinning down those who, for the wrong reasons, have provided lending. The
International community should do more to pin down those who have been the vultures in this exercise. I would also urge this fundamental support for debt relief in developing countries.

The reason this is not only about providing relief to 40 countries and the Millennium Development Goal arguments about doing that is the issue of Australian aid dollars. If we are going to maximise the effectiveness of Australian aid dollars, I would have thought we need them to go to the very important programs in agriculture. I remind everybody of the words of Bill and Melinda Gates, who said that ‘no country has achieved a rapid ascent from hunger and poverty without raising agricultural productivity’. You cannot do that without making a financial contribution. I remind the House Tim Costello’s comments that, in dealing with global poverty, the one issue he thinks there should be focus on is women’s empowerment and related issues around women’s health and sexual health. Those programs cannot be delivered without dealing with debt. Issues of corruption or maladministration around governance principles will not be addressed unless there is some conditional program work in dealing with debt. Long term, the knowledge contribution of many countries of the world will not happen unless debt is tackled. Australian aid dollars should be going to those programs, not to vulture funds.

We have a precedent on the table in the UK parliament, where long and good work has been done and where consensus has been reached in building a model that sees UK aid dollars—much of it in the Asia-Pacific region—going to valuable aid programs to help countries participate in the modern economy and modern community rather than paying off debts to vulture funds. Australia could replicate that and should replicate that, not only for the moral arguments but for the pure economic arguments around Australian aid dollars going to the right programs rather than to any dodgy lenders or to vulture funds. I urge this House to support this motion.

Ms PARKE (Fremantle) (11:06): I want to thank the member for Lyne bringing this important motion before parliament. I also want to thank Jubilee Australia for its advocacy on this issue. Not many Australians know about vulture funds, but the name sums it up quite well. Vulture funds buy debts owed by very poor countries for a small amount and then seek to enforce the full face value of the debt plus interest and fees in courts around the world, including here in Australia.

In November 2010 the New South Wales Supreme Court ruled that the Democratic Republic of the Congo must pay $30 million, plus legal costs and a $2 million court imposed fine, to a New York based vulture fund named FG Hemisphere Associates or FG Capital Management. As explained by the ABC’s Damien Carrick on Radio National last year, the sum forms part of a debt incurred in the 1980s by the authoritarian government of what was then Zaire. The original $37 million loan, which has now ballooned to over $100 million, was for power transmission lines and a hydropower dam near the home of long-time dictator Mobutu.

The DRC is a country of around 66 million people, 80 per cent of whom live below the poverty line. DRC has been involved in a protracted internal conflict which has claimed around 3½ million lives, and it has very little infrastructure. It has gone through a process of debt cancellation, having completed the World Bank and IMF Heavily Indebted Poor Countries, HIPC, process and received some debt forgiveness from creditors. However, the vulture funds refuse to participate in the debt relief scheme and, in the case of FG
Hemisphere, it instead began pursuing repayment of $100 million for the old DRC debt, which is $80 million more than the DRC would have been expected to pay for the debt under the HIPC process. FG has scoured the world in search of foreign assets belonging to the DRC. The vulture fund was able to bring the case in Australia because the DRC held shares in an Australian mining company. The DRC was forced to sell its shares to transfer the $30 million profit to FG.

As Jubilee Australia notes, this is not the first time the Congo has been targeted. In January 2009, a South African tribunal authorised FG Hemisphere to seize, for 15 years, payments owing to the DRC’s state owned electric authority, SNEL, for electricity generated from the Grand Inga hydroelectricity facility and sold to South Africa. This should amount to $105 million. In March 2009 FG obtained a court order from the Royal Court of Jersey for an interim injunction upon the right of the DRC state owned mining company Gecamines to receive payments on its 20 per cent share in GTL. GTL was ordered to send all future payments owed to Gecamines to FG Hemisphere until the debt was satisfied. In 2010 a Hong Kong court gave FG Hemisphere vulture fund the right to seize the $350 million sum the China Railway Group was to pay a state owned Congolese mining company. While the actions of vulture funds in taking advantage of legal loopholes to profit from desperately poor countries have been condemned by the United Nations, IMF, World Bank, donor governments and civil society and while there have been multilateral initiatives such as the Paris Club to try to discourage vulture funds, it remains entirely legal for vulture funds to pursue their claims in court. As Jubilee Australia has described it:

The insatiable greed of a small number of individuals is undermining international debt relief initiatives. Money that thanks to debt relief, should be going to lifesaving medicines and schooling, is lining the pockets of wealthy investors instead. Without legislation to prevent it, these so called ‘vulture funds’ are free to profit from poor country debts in Australian courts.

The UK parliament, with tripartite support, passed legislation in 2010 entitled the Debt Relief (Developing Countries) Act, which limits the ability of creditors to use UK courts to recover extortionate amounts from poor countries engaged in international debt relief efforts. The landmark law, which was due to expire in June 2011 as a result of a sunset clause in the legislation, has been made permanent in April this year, with no opposition in the UK. The law has successfully kept the FG Hemisphere’s vulture fund out of UK courts. I am confident that similar legislation would receive support from all members of this place and I look forward to it being the subject of a bill in the near future.

As noted by the United Nations independent expert on foreign debt and human rights, Dr Cephas Lumina, ‘vulture fund activity erodes the gains from international debt relief efforts at the expense of both the citizens of distressed debtor countries and taxpayers of countries that have supported international debt relief efforts’. It does not make sense for Australia and other countries to give debt relief and foreign aid so generously while allowing vulture funds to take this money through litigation. I commend the member for Lyne for his motion, which brings this very important matter to the attention of the House.

Mr Van Manen (Forde) (11:11): I concur with the comments of the member for Fremantle and I too thank the member for Lyne for bringing this matter to the attention of the House. I think it is worth going back and looking at the history of where these initiatives stemmed from, with the creation of the HIPC initiative in 1996 by the IMF and the World
Bank. As both the previous speakers have touched on, we should be looking at taking all avenues possible to try to assist poor countries not only to get out of the burden of debt they are under but also to develop their economies so that they are able to compete on the world stage.

That brings me to my primary concern, which is that vulture funds impede the ability of those countries to undertake those activities. But, more importantly, there is a failure to deal with the underlying issue that creates this problem for these countries in the first place—that is, a lack of free and equitable access to the world economy. That is driven by the activities of Western developed nations in terms of tariffs and market restriction. In particular in this case I am going to single out the Europeans and the Americans. I think we in Australia have done a tremendous amount over the past 30 years to try to free up access to our economy and to compete effectively and efficiently in the world market and create opportunities for others to do so.

The member for Lyne touched on a really interesting point in terms of agricultural productivity and I certainly agree with his comments in that regard. How do we grow the agricultural productivity of these nations? I think in this case China provides us with a very instructive example. Forty years ago, with very poor agricultural resources, it was barely able to provide for itself. It made some very significant changes in its agricultural policies, including, firstly, allowing farmers to sell some of their produce, then allowing farmers to move that produce to different towns within the county and ultimately allowing farmers to own their own farms. One of the recurring problems in underdeveloped countries is the lack of clear and well-defined property ownership, and we see that here in Australia too, in the Indigenous community. I think that is a huge issue for the Indigenous community. In that international marketplace, it is actually property ownership, with clearly defined boundaries for who owns what, that creates the economic incentive for people to take risk, maybe obtain microfinance to start to grow their own small businesses and lift themselves out of poverty.

We as a nation, I think, are very generous in our aid, both from a government perspective and from an individual perspective. I certainly concur with the sentiments of the member for Lyne and the member for Fremantle that we want to ensure and we need to ensure that our Australian aid dollars are spent effectively and that it is not going to corrupt governments or to the arms dealers that like to foment conflict in many of these nations, which turns the money into an international money-go-round: we provide aid funding to these countries, the leaders of those countries then misuse those funds to purchase arms to continue the conflict and the population at large suffers as a result.

We as the coalition have said that we do not believe that this initiative will provide an effective remedy and, as we have flagged, we will oppose this motion.

**Dr Leigh** (Fraser) (11:16): Debt is not the most serious issue that developing countries face, but unsustainable debt burdens can, in certain cases, be a barrier to development. So the HIPC Initiative was launched in 1996 by the IMF and the World Bank, and its aim is to ensure that no poor country faces a debt burden that it cannot manage.

HIPC has a two-step process. The decision point requires that countries must fulfil the following four conditions: be eligible to borrow from the World Bank's International Development Association; face an unsustainable debt burden; have established a track record of reform and sound policies; and have a poverty reduction strategy paper. Of the 39 countries
that are eligible or potentially eligible for HIPC Initiative assistance, 32 are receiving full debt relief from the IMF and other creditors after reaching their completion points. We know that, for these countries, debt relief has freed up resources for social spending. Before the HIPC Initiative, eligible countries were spending a little more on debt service than on health and education combined. Now their expenditure on health, education and social services has gone up and averages five times what they spend on debt payment. For the 36 countries that have debt relief, debt service paid, on average, has declined about two percentage points of GDP over the noughties. So the HIPC Initiative has been successful.

I think it is important that in considering any issue of debt relief we bear in mind the purpose for which debt is acquired. Debt is not of itself a bad thing. Just as we would not want to shut off credit markets to low-income Australians, so too we want to make sure that any reforms in the area of debt do not shut off access to credit for well-managed developing country borrowers. In fact, what is particularly striking is that more finance is not flowing to the world's poorest countries. The return on capital ought to be highest for countries that are furthest behind the world average incomes, yet it has proven difficult to attract investors to these countries.

The concept that I find most attractive in this space is Michael Kremer and Seema Jayachandran's notion of 'odious debt'. They define odious debt as sovereign debt that is incurred without the consent of the people and not for their benefit. They give the example of debt incurred by apartheid era South Africa. They argue that that debt should not be transferrable to successor governments. They argue that the development of an institution which could truthfully announce whether regimes were odious could create an equilibrium in which lenders have a strong incentive not to loan to odious countries but in which regimes in low-income countries that are spending borrowings for the advantage of their people could still obtain access to credit markets. To me, the notion of odious debt is particularly attractive, because it focuses on how the money is spent rather than on how much money is acquired. I would urge the House to do what it can to pursue the notion of odious debt.

The big shift since the creation of the HIPC initiative has been the rise of China as a donor. This is transforming overseas direct assistance. China currently operating largely outside the OECD DAC framework means that it is difficult for other countries to know what aid China is providing and to work in with that aid. So anything that we are doing in the space of odious debt, vulture funds or the HIPC initiative needs to take into account how the Chinese government will respond. To the extent we can, we need to bring China into the community of nations that believes that overseas aid should be used to further the wellbeing of individuals rather than simply of regimes and leaders.

Debate adjourned.

Workplace Relations

Debate resumed on the motion by Mr Tehan:

That this House:

(1) recognises the decision handed down by the Federal Court of Australia upholding Fair Work Australia's decision to allow students covered by the retail award to have a minimum engagement period of 1.5 hours, which will allow students to work after school to gain independence, important workforce skills and the experience of work while still at school; and

FEDERATION CHAMBER
commends young aspirational Australians who will be able to start in the workforce as a result of this decision.

Mr TEHAN (Wannon) (11:22): The decision handed down by the Federal Court took too long. It meant that for 2½ years young Australians were not able to work after school. The decision also needs to be expanded, because currently young Australians who want to work before school, doing such things as a paper round, cannot do so. How we got to the stage where we have a government which is intent on putting laws in place which will prevent young Australians from working before or after school—before this Federal Court decision was handed down—is beyond belief. It goes to show the ineptitude of our current Prime Minister, because it was when she was the minister for workplace relations that these laws were first put in place.

The history of this motion goes back to 2010. I received a phone call from Jane Spencer, whose son Matthew had just been told by the manager of the Terang Cooperative, Charlie Duynhoven, that he could no longer work after school. She was incredibly confused by this decision. She said that Matthew was incredibly confused by the decision and that the manager of the co-op, Charlie Duynhoven, did not want to take the action that he had to; he was forced to because of the new government bureaucracy and the laws which had been created by the reregulation of the workplace under Julia Gillard. Once I examined what had happened, I soon realised what the unintended consequences were of this law. There were actually six students who had been leaving their local school in Terang at 3.30, going to their local cooperative and starting work at four and working through until 5.30 when the cooperative closed. In most country towns the stores usually close at 5.30 or six. They are not open until seven, eight, nine, 10 or 11 o'clock at night. But what had the then workplace relations minister decided? That there needed to be a minimum engagement in the retail sector of three hours. So these six young students could no longer leave their school at 3.30, go to the cooperative at four o'clock and work for an hour and a half. Instead, they were told by this government, 'Go and play on your PlayStation. Just go home and sit and watch television, rather than get some work experience and some pocket money and save to buy your first car.' This is no joke. This is the message that was being sent to young Australians.

Two of those cooperative workers—Leticia Harrison and Matthew Spencer—decided that they would not put up with this. They said, 'This is inexplicable. This is wrong. No government should prevent young Australians from working after school if that is what they want to do.' They decided to take up a petition. They got a petition in the space of three or four weeks of over 2,500 signatures, which they took down to the then workplace relations minister's office, the now Prime Minister's office. They presented it to her and said, 'We want our work after school back. Could you please give it to us?' What happened? Nothing. Although she said she would fix the problem, what did she do? The then workplace relations minister sat on her hands and did nothing. This was the start of what the Australian people were to see—a Prime Minister who said one thing and then did another, a Prime Minister who to this day is haunted by her lack of credibility because she seems to have problems delivering on what she says—for instance, when she said, 'There will be no carbon tax under the government I lead.'

Matthew and Leticia were not dismayed. They did not give up. They continued their fight. Backed by the retailers associations, they took it to the Federal Court. Unfortunately, the
processes of decisions and appeals took over a year and a half, which was far too long. But eventually we had the Federal Court coming down with a common sense decision. It said, ‘These students can go back to work and they can work for an hour and a half if the employer and the employee agree that this is how long they want to work for and if, on behalf of the students, a parent or a guardian gives their approval.’ That was a fairly common sense way to approach the decision. Yet why did it take so long for this to occur? It meant that by the time the Federal Court took this decision these two young Australians, Matthew Spencer and Leticia Harrison, had left school. They could no longer do their work because the period of time the decision took meant that they were out in the workplace themselves. But given the experiences they had at the Terang Co-op they are both gainfully employed and out there working.

That is one of the lessons that we should learn from this. If young Australians are given the opportunity to do some work before and after school, it is fantastic experience for them and gives them the skills that they need to make sure that they go on after school to enter the workforce. It gives them independence. It gives them that sense of confidence and self-worth which comes with having a job. We should not forget this. This is why this government should act to allow students to work not only after school but also before school.

There were other students who were also laid off as a result of this decision. In Avoca there were four kids who used to do the paper round there before school, but because they could not work for three hours doing their paper round, they had to stop doing it. What a message to be sent to young Australians. The government is saying to them, ‘We no longer want you out on your bikes early in the morning doing your paper rounds.’ One of the largest employers in the town of Avoca said to me: ‘I always look for the kids who have got up early and done the paper round when I am thinking of employing people, because I know there is a work ethic there that they will carry on with them in their careers after school. It is one of the key criteria I look for.’

Yet what have we done? We have shut down the ability for students to work before school in the retail sector. This is the next thing we should look to change with regard to the laws that reregulated our workplace.

I implore the House to support this motion. I am hoping that both sides will do so. I am hoping that both sides will see reason, that Federal Court has righted a wrong in this instance. I am hoping those opposite will stand as one and say, ‘Yes, the Federal Court got it right’ and ‘Yes, the Federal Court, having got it right, should now look to do so before as well as after school.’

I will be listening with interest to hear what the government has to say about this motion. I might be jumping the gun but from feedback in my electorate of Wannon and what people are telling me is: it is decisions like this that the Gillard government has made and that Julia Gillard made as the minister for workplace relations which has caused the dismay with this government. It is one of the reasons why I think a lot of Australians are waiting with bated breath for the ballot box to come either this year or next year so that they can send a loud and clear message that they do not want to be governed by people who do not want to encourage young people to work before and after school. They want to be governed by a party which encourages people to work and especially young people to work. I commend this motion to the House. It is a good, sensible motion. It acknowledges the work that is done by the retailer
associations, Leticia Harrison and Matthew Spencer. I ask the House on both sides to support it.

Mr CHAMPION (Wakefield) (11:32): The government supports the wording and the sentiment of this motion but would not be supporting some of the presumptive arrogance in the member's speech. We would not be supporting the use, I think, of particular situations as a stalking horse to get rid of minimum engagements for casuals. I have some experience in this area: I was an official in the shop assistant's union for about 11 years or so. We had these provisions—

Mr Tehan: A union official?

Mr CHAMPION: No, no. We had these provisions in the retail industry award in South Australia and they operated perfectly well. They were in the retail award, because in the old days there used to be trading hours acts across the country in states, which had six o'clock closing—and sometimes 5:30 closing. Often these clauses were necessary so that schoolchildren could work. It is less of a problem now in the city, because of course Coles and Woolies and most of the retailers trade well into the evening, and so there is not the need for very short engagements.

I take the members point that country towns might be the exception to this. We would not want to stop young people from the country being able to work these hours. All these sentiments that the member said about young people being able to work, get a bit of pocket money, be able to save a bit of money for cars and that sort of thing are all perfectly sensible. But of course what he misses out is that, as part of the Fair Work laws, there have to be awards set. In the process of setting these awards, there are contests between unions and employer associations about things like minimum engagement.

The Labor government and I are happy to support and protect three-hour minimum engagements for casuals. What the retailers' association were doing in this case is using these children as a graphic example of a way in which they could undermine minimum engagements. What they are seeking to do with this early morning engagement is find a relatively small number of people who are doing a particular brand of this work—in this case delivering newspapers—and use it to undermine the overall concept of three-hour minimum engagements. We all know what the retailers want. They want a situation where they can pull somebody in for work, have them work for an hour and send them home. That is what retailers want. That is their wish list. That is what the retailers association wants, and I have seen it happen. I have seen a great many retailers and fast food organisations try it on, both requesting it in awards and implementing it in their shops until unions and other independent associations come around and enforce the rules. We know that is what they want and we know that is what their representatives in this parliament want. What this motion from the member represents is a stalking horse to reintroduce elements of Work Choices that undermine things like minimum engagements, overtime and penalty rates. That is what the opposition wants—and that is who you are, not the government. You have to wait for the election before you—

Mr Tehan: We're waiting!

Mr CHAMPION: This is the thing. You have to wait for the Australian people to make a judgment before you jump the aisle, as it were. But we know what we would get from them in
government. We will have all these cases: 'Five people want to work for just an hour. What harm would it do?' Of course, it is all designed to erode the minimum standards. That is what it is all about.

We used to get the same thing about penalty rates when I was a union official. 'If only the penalty rate wasn't there, we could afford to have a few more workers on a Sunday or at 12 o'clock at night.' I used to hear those arguments a lot as well. We used to hear the same arguments about overtime. 'If only overtime payments weren't there, they could work extra hours, couldn't they?' 'If only I wasn't limited to 38 hours a week, I could work more, get more hours.' That is the argument that the opposition, retail associations and other employer groups use to undermine things like minimums.

If you look at what the Federal Court actually did, it said that schoolkids should continue to be able to work a minimum of 1.5 hours after school, between 3 pm and 6.30 pm, and that their parents or guardians had to agree to it, which I think is a pretty good set of circumstances. Parents or guardians should agree to these things for people under 18. The court also said this applies where employment for a longer period was not possible—that is, the shop is closing. That is a fair set of circumstances, but we would not want a situation where you have fast food outlets employing young people, 16- or 17-year-olds, for 1.5 hours simply to get out of the three-hour engagement.

The reason why the three-hour engagement is there is that people have to drive to work. They have to buy uniforms. There are costs associated with work. So for casual workers, if you only get an hour's work, if your minimum engagement is just an hour or 1.5 hours, you might find yourself in a situation where it is costing you as much to get to work as you are getting paid. That is why the minimum engagement is important. It is a fairness thing, which is why it has been upheld in the Federal Court's decision.

We have this particular circumstance which was taken into account by Fair Work Australia and by the courts, not through political direction or through petitions but through a rational way of looking at these things. This is not done through sentiment but evidence. We have a three-hour minimum established because that is what is fair. We are not going to run our workplace relations system on emotion or on one person's individual circumstances. We are going to run the Fair Work system on what is fair overall. We are going to have hearings and we are going to have people arguing their case. We are not going to run it on sentiment or politics.

But we know what the opposition would do, as they do in so many things. They have worked out that Work Choices is like a loaded dog; it is a dog with a bit of dynamite in its mouth and they are all running from it as best they can. That is why, every time we mention it, you can see the nerves and you can see the smiles. Then they say, 'It is dead and buried.' Sometimes there is laughing and scoffing: 'As if we would do that!' But we know now what they are going to do. They are going to cut the onion slice by slice. They are going to come up with various circumstances and situations and they are going to try to push for erosions to the safety net. That is the member's intention here—slowly but surely to cut out things like the three-hour minimum.

The three-hour minimum is a very important fairness mechanism for casual workers. We know that some 20 per cent to 30 per cent of workers are now casual. That is a lot of people who are on insecure incomes and a lot of people who are dependent on the hours they get. In
the retail industry, my union has worked very hard to make sure that those workers do get some notice and do have some security. Often there are casuals who have been working regular hours at a place for years and years. One day they rock up to work, thinking they have a level of permanence, and find they have a new manager, or that someone has had a change of heart, and their hours have been reduced. I have seen workers who have had their hours reduced from 37 to three in the space of a week, sometimes with even less notice than that. We know that people have issues with insecure work and I would not like to see their situations made even more insecure.

We support the motion and we support common-sense decisions by the courts. We support young people having a work ethic and we support that in the member's electorate—I think those young people should be commended for their work ethic. But we do not want to see a situation where retail industry associations and others seek to deliberately, as a strategy, undermine the safety net bit by bit and cut away—cutting the onion, slice by slice—at people's entitlements and security.

Mrs ANDREWS (McPherson) (11:42): I second the motion proposed by my colleague the member for Wannon on the minimum engagement for schoolkids under the Fair Work Act. If you graphed the performance of employers and employees, I am very confident that you would find that that performance has the shape of a typical bell curve. You have good employers and you have not-so-good employers. You have good employees and you have not-so-good employees. But the majority of employers and the majority of employees fit within that middle section of the bell curve, which means that they do their best on any given day. Sometimes they just make the 50 per cent mark; sometimes they are a little bit either side of it. But I think that we need to accept that both employers and employees generally fit within the middle section of the bell curve.

The issue we are discussing today is, I believe, far too important for us to be engaging in adversarial industrial relations. What we are talking about today are the needs of the youth of Australia and how we can properly engage them in the workforce. The issue of after-school work—and I have heard the member for Wannon raise the issue of before-school work—is quite critical to them for a number of reasons, which I will start to cover shortly. In my opinion, industrial awards should not contain provisions which serve to reduce productivity at the workplace or prevent employees from working.

This is particularly relevant for our school students, who have such limited opportunities, as it is, to engage in the workforce. They already have to fit in any employment they undertake around the work they have to do at school, the hours they need to attend, their homework and their additional study. It is not a new concept for our secondary school workers to be working in the retail sector after work. That has been commonplace in Australia for many years. There is also increasing evidence that engaging in extracurricular activities after school is beneficial to our secondary school students; that activity can be participating in youth groups or in any number of clubs. That argument can be extended quite easily and readily to working after school, where these students are normally engaged in activities with adult supervision and it is a structured activity for them.

It provides a significant number of benefits. It identifies and potentially starts a working career, as all jobs are potentially resume building. It can demonstrate a positive work ethic to a future employer when he or she sees that the potential worker has been engaged in part-time
work at school. It assists with time management; it is not just turning up to work but is also learning how to structure your tasks and responsibilities. It gives independence. It generates teamwork. It promotes leadership skills, perhaps to others in the workforce but also potentially to classmates and to other family members. And of course there is the financial reward and the concept of earning a living, which I believe is critical for our young people to be learning and developing so they can understand that mum and dad or their carer is not always going to be there to provide them with the money that they need. They need to save and they need to earn some money so that they can save.

The minimum engagement of three hours, I believe, was a significant negative for our students, and I am very pleased to see the variation by Vice President Watson back in September 2011. I think it recognised very clearly that school students in particular need the opportunity to work after school and, potentially, before school as well so that they can develop the skills that are necessary. It was very disappointing to see this matter appealed by the union that really should be supporting workers and the students. I think the matter should not have been appealed at all; it should have been allowed to stand as it was. I would have expected that the union would be significantly across the issues of underemployment in Australia and would have wanted to do something for these students who wish to get out there and to be part of the workforce both now and in the future. I am very disappointed that the union took the action that it did and I do not support them at all.

I do, however, support the motion by the member for Wannon and congratulate him on all the work that he has done so far and will continue to do.

Mr PERRETT (Moreton) (11:47): I too rise to support the motion of the member for Wannon regarding a recent Federal Court decision concerning the minimum retail award and the hours that can be worked. It is not often in the 43rd parliament—outside the sporting field—that I can necessarily agree with the member for Wannon, but I do on this private member's motion. This, in effect, has been operational since October last year, when the retail award was amended to allow secondary school students a minimum of 1½ hours of work after school, so it is hard to disagree with him. In fact, this side of the House welcomes the positive comments that he has made. I think there were some positive comments in the speech of the member for Wannon; I had to sift through the politics, but there were some positive comments.

This is about the tension between an award that helps everybody and the people who are not helped and do not benefit from an award. I know that in your previous calling, Deputy Speaker D'Ath, you would have seen these occasions. Certainly I did when I was in unions. Industrial relations is becoming a much simpler lot of laws. It is not great work if you are an industrial advocate in either a union or an employer organisation, but the reality is that, under the Rudd and Gillard governments, we have simplified—sorry, I should say the Howard government as well; they did take some steps towards doing it, though not, I would suggest, necessarily for the best interests of workers. But they did take some steps towards simplifying from the days when you had a million different awards and three different lines in the state of Queensland. You had to find out who was covered and what they were covered by, and tracking it down was quite complicated. So it is good to see a simplification.

In May this year, when the Federal Court released a decision which upheld the Fair Work Australia decision to reduce the minimum engagement period for secondary school students
working after-school shifts under the general retail award 2010, it was an outbreak of common sense. The effect of both the Fair Work Australia and Federal Courts decisions is that secondary students working under the retail award will continue to be able to work a minimum of 1½ hours after school between 3 pm and 6:30 pm. That is in circumstances where the employee and a parent or guardian have agreed and where employment for a longer period is not possible, either because of the operational requirements of the business, for example, closing time, or the unavailability of the employee, because they have to go home and do their homework and the like. This is a great initiative to slowly integrate school-aged children into the workforce and to give them some individual responsibility while learning the values of hard work and earning a dollar. As a parent of a seven-year-old and a three-year-old, I can say that they certainly know the value of the dollar, so long as it is my dollar. I look forward to their being able to understand how hard it is to make money in the workplace.

It was encouraging to see the member for Wannon recognising here today that the Fair Work system provides benefits for young Australians in providing a strong and stable safety net, such as modern awards, that allow for them to work after school but that it is also a system that does not allow them to be exploited—it does not allow their terms and conditions of employment to be undermined through a take it or leave it attitude, which is inherent in AWAs, or for them to be sacked unfairly with no remedy at all. However, one thing remains unclear: where exactly the Leader of the Opposition will take us when it comes to workplace relations. We know that policies have been developed but we are yet to see them. I would hope that these secret workplace relations policies will be released and that he will guarantee that they will not undermine the award safety net, especially when it comes to young Australians and women, who are the people who suffer most readily when you tinker with the industrial relations system.

The member for Wakefield touched on the big, insidious problem in our workforce: casualisation. That is fine if times are booming and things are good, when people can take the extra money that comes with casualisation, but it can also be a problem when the situation changes. It is particularly a problem for women—you see that in the cleaning industry and some of the other service industries, where they are at the whim of a boss. As we heard from the member for McPherson earlier, most bosses do the right thing and understand that by looking after workers everyone will make a dollar. But some bosses do let power go to their heads. I would hate to go down the road of the Walmart type of job in the United States, where nearly 15 per cent of the people who are employed are living in poverty. (Time expired)

Mr RAMSEY (Grey) (11:52): There are times when we believe that common sense will out. The fact that it took about two years in this particular case has been a cause for great amazement in my electorate, as people, both employers and children who are employed by local businesses, came to me asking what on earth the government was doing in this area. I hold the premise that, if the parent is happy, if the worker—in this case the child—is happy and the employer is happy, surely should they be able to get their heads together and make a deal. Parents, after all, have the primary responsibility for making sure their children are not exploited. One wonders just how we got into this space in the first place. I accept the fact that Fair Work Australia received an appeal on this and overturned its original rulings. It is disappointing that the union challenged. I am one of those people who think that unions
play a very necessary part in the life of Australia, but they devalue the public's sense of their worth when they become welded to the ideological frameworks which are impossible to justify in a common-sense world.

At the time of this outbreak, it was brought to my attention that a number of kids work in the town of Wirrabara, which sits on the eastern side of the Flinders Ranges. The nearest school is at a place called Gladstone, which is about 30 kilometres down the road. They cannot possibly get back to Wirrabara before 4.30 in the afternoon, and the shop where they were working, the IGA, closes at six o'clock, so there is your hour and a half. The IGA may be able to find two hours work for them, but, effectively, they were ruled out of business. This became a severe complication for the business. Following their reports, many more people in my electorate came to me. I think, by and large, businesses were tending to ignore the rulings—I certainly would not like to name the ones that were—because they thought it was just too stupid to be true, and eventually they were proved to be right. One manager said to me, 'I run a family-friendly workplace here'—this is another IGA store. He said, 'I specifically employ mothers through to around about 3:30.' Then he lets them knock off, and they are replaced by the kids that are coming out of school. He said, 'It works great for families. It works really well for my business. It is really great for the children to get some experience in the workplace.' Effectively, the law as it stood overruled the possibility of doing that.

There was a time in this debate where I was beginning to wonder where we were going to find an out; that it was tied up in the industrial courts. I thought, 'This is a disservice, a disservice to our children.' In the case where I was talking about the employer who was running a family-friendly workplace not only did he raise the issue—because it is all tied up with the Fair Work Act that we have these other implications that are flowing through the system at the moment, particularly on penalty rates around the weekend. I know it is not specifically concerned with this, but it is under the Fair Work Act.

I was speaking to a restaurateur just recently. He runs a very successful place. He employs over 20 people. He operates 365 days a year. I said to him, 'How are you going on the holiday Mondays? How are you going on the days where you have to pay excessive penalty rates?' He said, 'I lose money.' I said, 'Why do you open?' He said, 'Just so I can say I trade for 365 days a year.'

It is a real problem for the retail industry. It is a real problem for the hospitality industry. I have other friends who no longer open on Sundays. They use a junior workforce but they are compelled to employ for longer periods on the weekends. If we want Australia to be a 24-hour economy, if we want Australia to have a flexible workplace, then we have to allow the workplace to be flexible and to operate in that manner.

Mr SYMON (Deakin) (11:57): The decision to cut the minimum hours engagement in the retail sector, firstly by Fair Work Australia and now by the Federal Court, will have a massive impact on young people who work in the retail sector. Young workers, especially students in this sector, have seen their conditions watered down by this decision with nothing in return. I think it is a step backwards for not only students and those young workers but all workers who will be impacted by the knock-on effects in this sector.

When making its initial decision in the national award, Fair Work Australia got the balance right. In most retail awards, including the major ones in New South Wales and Queensland, the standard minimum shift length was three hours, although it was four hours in the.
Tasmanian retail award. It was back in 1991 that retail employers in Victoria convinced the then Victorian Industrial Relations tribunal to reduce the minimum shift length to two hours. During award modernisation, Fair Work Australia selected the standard which applied to the greatest number of retail workers, which was three hours, as the basis for the national standard under the modern award. As a result, on 1 January 2010, the minimum shift length for the retail industry increased in Victoria, decreased in Tasmania and there was no change—repeat: no change—in the other states. This was the right decision as a national award should reflect the practices of the nation, not of course just one state.

In its recent decision, the Federal Court has taken a step that has changed minimum employment standards that will cut the conditions of student workers and, in reality, all workers, who will now be under pressure due to this decision. The decision will cut students hours by up to a half across the nation where, before workers in Queensland and New South Wales had the protection of a minimum three hours, they will now be cut back to 1½ hours only. It is possible that students could travel into work five days a week and work only 1½ hours for each of those days. That is a total of 7½ hours work for the five days. If you look at the rates in the award, it is not much: for a junior under 16 working as a level 1 retail worker, the award rate is $666.10 per week but, because they are a junior and under 16, it is only 45 per cent of that. If you work that out as an hourly rate, it comes out at around $7.89 per hour. For a student who works every day of the week after school, five days, that is $59.17. They may get a casual loading on top of that, depending on their employment arrangement. But in a place like Melbourne, which is a big city, not every job is actually next door to where the school is. In fact, in many cases, they are many suburbs away and students need to travel by bus or train to get to and from work. Not only does that take time; it also takes money. Even buying a concession ticket is going to add up to a few dollars each day. Taking that out of what is only $59.17 does not leave much at all.

As I said before, I think this decision will have implications for other workers. We have already heard this morning that the member for Wannon is not satisfied. He wants to strip back even more conditions from young and vulnerable workers. As he said, he is not happy with taking away minimum shift engagements after school; he wants to before school as well. The retail industry, as we know, is highly casualised. Around 40 per cent of retail employees are casual compared to an all-industry average of 24 per cent. So there are a substantial number of workers out there who can have hours cut and be replaced with student workers working the 1½-hour minimum. So other workers who are not directly impacted by this decision may find their shifts cut, no longer working nine to 5.30 but being asked to go home at 3.30 or four because students can commence and work until 5.30 at that starting rate of $7.89.

This is of course the thin end of the wedge. For a long time the Liberal Party have been arguing for increased flexibility at the expense of employees’ conditions. We, the people of Australia, saw what the Liberal Party did to those conditions when they imposed Work Choices on the working people of Australia. The election of a federal Labor government undid that great injustice. It is the reason many of us stand in this place today. I certainly think that cutting minimum hours for any employees is a bad move but particularly for those employees who do not know their own workplace rights and do not have people to help them find out where they can do things within their workplace.
Mr MATHESON (Macarthur) (12:02): Today I speak on this excellent motion by the member for Wannon to support all the young people in Macarthur—and the rest of Australia—for that matter—who have taken the initiative to gain casual employment during their time at school. I would first like to commend the Federal Court of Australia for its ruling to uphold Fair Work Australia's decision to allow juniors covered by the retail award to be able to work a minimum of 1.5 hours after school between the hours of 3 pm and 6.30 pm. This decision allows students to work after school to gain independence, a strong work ethic, life skills and experience in a workplace while they are still studying. It is obvious that on the other side of the chamber that is not supported.

I know there are many students in the Macarthur region who need to work short, 1.5-hour, shifts to fit in with their schooling and with shop-trading hours and can do this thanks to the decision by Fair Work Australia in June 2011. I thank the member for Wannon, Dan Tehan, for moving this motion, and the shadow minister for employment and workplace relations, Eric Abetz, for his support of this important issue. Let us hope the other side are looking at this motion. It does not sound like it. I know they both lobbied together with the National Retail Association in 2010 and 2011 to scrap the minimum engagement hours for shifts for juniors and to ensure that the FWA ruling was not overturned recently. On behalf of the young people in my electorate who will continue to benefit from their dedication to this cause, I would like to thank them both. It makes me proud to be part of a coalition that appreciates and supports our young aspiring students in contrast to union bosses. It is a shame that a Labor government chose not to support our students through the deliberations of the Federal Court or Fair Work Australia.

In Macarthur we have a large number of retail shops and outlets that employ young people on a casual basis. Macarthur Square, Campbelltown Mall, Narellan Town Centre, Mount Annan Central and Mount Annan Marketplace join with many other retail stores and small businesses across the region to employ Macarthur's energetic young people, giving them a great start in life. My two daughters grew up in Macarthur and attended local schools. During their time at university they both worked casual hours in a local chemist, making their own money and gaining valuable life experiences. Alana worked at Brownhills Pharmacy in Campbelltown and Jessica worked at David Wilson Discount Chemist also in Campbelltown. As a parent I saw firsthand how a casual position gave both my daughters a greater level of self-confidence, maturity and professionalism that has stayed with them throughout their lives. It also gave them another avenue aside from mum and dad to pay for their shoes, clothes and handbags! More importantly, they learned about the value of money and the importance of saving it. Today they are both very successful, hardworking young women of whom I am very proud.

In Macarthur there are many high school students who choose to complement what they learn from their teachers at school with real-life experiences in the workforce. Some of them are lucky enough to live in towns where a big department store is open for a few hours after school, but there are many towns in my electorate that consist mostly of small businesses that close at 5.30 pm. There is a lack of public transport that would get these students out to the cities and suburbs with major shopping centres. We have so many fantastic small business owners in Macarthur's small towns who employ junior staff members because they understand how valuable a young, energetic quick thinker is to their business. Having a casual job whilst
at school also teaches our young people to develop good time-management skills and strive for that perfect work-life balance that we all dream of. Today's world is moving at a rapid pace, so to master the art of time management at such a young age gives our youth a fantastic start to their working lives.

All too often we hear of our younger generations being labelled as lazy, hard to please and selfish. I disagree. This motion supports them getting into the workforce. I have met so many talented and enthusiastic young people in Macarthur who would be a great asset to any business they have worked for. That is why the push by the coalition and the subsequent decision by Fair Work Australia to allow students to work a minimum 1.5-hour shift after school was a good one. If you ask me, it is common sense, especially when the majority of schools finish at 3.30 pm and many retail stores in small towns and regional areas close at 5.30 pm on weekdays.

These changes to the retail award gave student's across Macarthur a valuable opportunity to gain work and life experiences as well as a chance to develop an impressive resume for future employers and learn about the importance of working hard and saving money, especially in the current economic climate. I think it is very inspiring that two teenagers kicked off these changes back in 2010 with a simple petition. When Matthew Spencer and Leticia Harrison lost their 1.5-hour shifts after school, they decided to fight this ridiculous rule that stopped juniors working short shifts after school. I applaud them for persistence and determination, as I do the coalition and the member for Wannon for supporting these young people every step of the way. Thanks to them, there are so many young people in Macarthur gaining valuable experience in our local businesses. For this I thank all those who are involved in making these changes to the retail award and ensuring these changes remain in place throughout the Federal Court's recent decision. I commend the member for Wannon on his motion today.

Mr STEPHEN JONES (Throsby) (12:07): I am pleased to be speaking on the matter that the member for Wannon brings before the House today, a matter which goes to the heart of two important issues which have been the subject of much debate over the last 4½ years. The first of those issues is how we manage to balance through our workplace laws the need for certainty on the one hand—that is, the need for certainty in relation to working hours and take-home pay—with the capacity of young people to find and engage in work, particularly part-time work, while completing their schooling.

The stories that speaker after speaker from the coalition side got up and entertained the House with this morning would be compelling if they were the only side of the story. When you stand here and you talk about the needs of ensuring that you have a workplace relations system that enables a 14- to 16-year-old student to knock-off from school at three o'clock in the afternoon, jump on their bike or the local bus and get down to Coles or Woolies or a small hardware store in the main street of a country town and get a few hours work, a bit of pocket money and some work experience, it would be very hard to argue against that. In fact, I do not think there would be a right-thinking person on this side of the House who would argue against the importance of constructing a system which facilitates young people in this country having access to additional money and the value of work experience while completing their schooling.

However, we know that these circumstances do not operate in a vacuum. Those on the other side of the House often try to approach these debates on the basis that the workplace
relations system can be dealt with by simple formulas and their propositions exist in a vacuum. If all we were talking about were the 14- to 16-year-olds then there would be no conjecture, but that is not all we are talking about. On the same hand, we are also talking about the many hundreds of single mums living in my electorate or older people working in the retail and related sectors, who need some certainty about the minimum number of hours they are going to work. If you have to travel on public transport for an hour and a half to get to your place of employment and then for an hour and a half to get home, you want to be pretty sure that you are not going to be spending more time on the bus than you are behind the counter. You are not being paid for your time on the bus—in fact, you are paying to get to work.

That is why on this side of the House we understand that you need to construct a workplace relations system that is able to bring into a happy medium these two competing needs. We on this side of the House do not believe that in this day and age, in a wealthy country like ours, it must be necessary that one person's benefit should be bought at the detriment of another worker. We look for solutions that ensure that the benefits that you provide to one worker do not cut the throat of another. That is why I am very pleased to say that we have scrapped Work Choices. We scrapped the system of AWAs where you had the fiction that a 16-year-old could sit down and negotiate with the head of Coles or Woolworths and come to a happy arrangement and they had some bargaining power in that—we got rid of that. That is what those opposite are advocating.

The member for Canning admitted in a debate I had with him on TV a few weeks ago that they had a secret industrial relations policy but they were not going to tell anyone about it. If they were really going to come clean, they would let people know what their policies were. Whilst I am on it, if they are interested in providing school-aged children with education and work skills, they will get behind our trade training centres, because that is where real skills and real workplace experiences are being garnered.

*Opposition senators interjecting—*

**Mr STEPHEN JONES:** Instead of interjecting and making all the noise that they are making at the moment, like empty cans do, they would be informing themselves about the benefit of the trade training centres, with $2.5 billion being spent over 10 years and 370 projects, with 146 already built and operating and about 88 already underway, providing real education and skills to workers today.

Debated adjourned.

**Trading Hours in Adelaide**

Debate resumed on the motion by **Mr Champion:**

That this House:

1. notes the South Australian Labor Government's proposal to extend trading hours in Adelaide with the exception of certain public holidays;
2. acknowledges that Christmas Eve and New Year’s Eve are important occasions for families and communities to spend together; and
3. supports the South Australian Labor Government's policy to declare part day public holidays after 5 p.m. on Christmas Eve and New Year’s Eve.

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FEDERATION CHAMBER
**Mr CHAMPION** (Wakefield) (12:12): This motion is all about the deal to extend trading hours in Adelaide. For a long time shop trading hours in Adelaide have been a contentious issue. My union has been at the heart of that; we even took a matter to the High Court some years ago to make sure that trading hours could not be extended without the consent of the parliament—a very important decision. Since then the issue of trading hours has been the subject of some debate in the community. That was why it was so good to see a deal being done by Business SA, the shop assistants union, the LHMU and Premier Weatherill to extend trading hours in the city. That provides an important boost for the city of Adelaide. It was supported by the local mayor and the city council. It gives the city of Adelaide a competitive advantage over the suburbs, in some ways. Being able to open and trade on public holidays makes for a vibrant city and particularly makes a lot of sense during Mad March. It is good news for the city of Adelaide.

Most importantly though, as part of the deal, after 7 pm, Christmas Eve and New Year's Eve will become public holidays, and this is because Christmas Eve and New Year's Eve are particular occasions that are important to families and important to communities. Those who work on those days deserve, firstly, to have the right to work or not to work and, secondly, penalty rates—some recompense for working antisocial hours. There is no more antisocial time to work than Christmas Eve or New Year's Eve. These are very important provisions and I hope to see them spread throughout the country. It is a shame that this has not been addressed until now.

We know that that is particularly important for my old union—the shop assistants union. It is important for night fillers; it is important for department store workers who have to set up for sales on Christmas Eve and New Year's Eve. People take for granted that all the shop assistants are at home. In actual fact, they are all setting up for the sales. They are all setting up for the post-Christmas period. It is very important for those workers. It is very important for fast food workers. We were just talking about young workers before. The coalition has a great deal of concern for them in terms of minimum shifts but not so much concern for them in terms of working late at night on Christmas Eve and New Year's Eve. It is important for those workers to get some small bonus for working these antisocial hours.

It is important to note that an agreement was made with Business SA. I see the member for Mayo here. He worked for Business SA many moons ago. That is his only private sector experience, except for his short time working in Mildura as a car park attendant or something like that.

**Mr Briggs:** A golf ball picker upper.

**Mr CHAMPION:** It is nice to know that those opposite have some real-life experience.

A deal was done between Business SA and the SDA. Obviously, Peter Vaughan deserves credit for being far-sighted. I think David Di Troia from the LHMU deserves credit for being far-sighted and embracing this. It means a lot to his members indeed. Of course, Premier Weatherill deserves a lot of credit as well. It takes some courage for a new Premier to support a fairly hard-fought and contentious issue for business. There is often a lot of shying away from business lobby groups and bowing and kowtowing to them. We see a lot of this from the opposition. The member for Mayo likes kowtowing to the mining industry a lot. But Premier Weatherill did a very good job and I think Peter Malinauskas has proved himself to everybody in South Australia as being one of those very good union leaders, concerned with
his membership, concerned with delivering real benefits to his memberships—real money in the pocket.

While we all ascribe to Ben Chifley's vision for the light on the hill—it is not just about putting a sixpence in someone's pocket—in a very real way, the labour movement to me is about putting something back in workers' pockets; in this case, penalty rates on Christmas Eve and New Year's Eve, which should be family time. I am sure the member for Mayo is spending Christmas with his family; I know how important his family is to him. It would be wonderful if could find it in himself to extend that same benefit to retail workers, fast food workers, policemen, ambulance drivers and all those who work on New Year's Eve and Christmas Eve.

Mr BRIGGS (Mayo) (12:17): I rise to raise very grave concerns about this motion on trading hours in Adelaide. I do say at the beginning that one of the problems with the Australian Labor Party's leadership at the moment, and the reason we are seeing a lot of conversations around the building this week and stories in the newspaper and so forth, is that members realise that the current leadership does not actually believe in anything in their soul. The same cannot be said for the member for Wakefield. He does; there is no question he does. People should know that he has very strong beliefs, and I think that is admirable. He understands that I have the same views. There is no doubt that this motion comes from a genuine belief in what he is doing. However, the problem with the belief—and where it is flawed, sadly—is that it is a belief that puts the insiders above the outsiders in our society.

The member for Wakefield likes to talk about families and the family time and so forth and about appropriate pay levels. He forgets to tell people that you still currently get paid penalty rates on those occasions in most of these professions he talks about. Anyway, putting aside the facts, he talks about families. The worst thing you can do to a family is visit unemployment upon them. What this motion will do, undoubtedly, is make it harder for you younger people in particular is to get access to a job in the first place. There is a cost with all of this. Business is not without a limit on their resources. We know that people who work on Christmas Eve and New Year's Eve in retail, hospitality and in other industries are generally young people, who are getting a chance at a job and a chance to earn some money to make more of themselves, whether at university or whatever it may be. For instance, New Year's Eve is one of the biggest trading nights of the year, as is Christmas Eve, and if you apply an additional burden on an employer that evening, while you might be able to say to those already employed, 'We've got you more,' what you say to those who are not employed is, 'We've got you less.' That is the truth about the motion and what the ridiculous piece of legislation in South Australia is going to do.

The fact that Peter Vaughan signed up to it should say enough—that it is a bad piece of legislation in the first place. I should know; I worked for Peter Vaughan at one point in time, so I should know better than most how bad it has been for South Australian business. It has been appalling. As I said to the member for Wakefield's very good friend and future candidate for somewhere, Peter Malinauskas, at the Kangaroo Island races, 'You only get one Peter Vaughan in your lifetime.' I will not repeat what the head of the shop trading association said following that comment. But it is true: this is an absurd deal for South Australian business. Unsurprisingly, it put Peter Vaughan's interests above those he was meant to be representing.
John Chapman, on the other hand, who is a terrific man—a very good constituent—has made some very important points about this bill. He said:

Many small operators will simply close down on the new half day public holidays, as they cannot afford the additional costs, and that would be bad for consumers across the entire state.

That is what is at stake with this change. It pretends that there is a magic pudding which people can reach into without cost, that we can have more people employed and that we will pay them more at the same time.

We know that at the moment the retail industry in South Australia and across the country is going through challenging and difficult environments. I am sure the member for Wakefield and the member for Kingston are getting the same feedback from their small businesses and retailers that I am getting. They are now competing in a global marketplace. For the first time ever, retail is trade exposed. People can very easily access goods from overseas retailers at much less cost than they can in Australia, and that is putting great pressure on retailers. At such a point in history, when great structural change is happening in this industry, why would you make it harder for them to compete, all on the basis of the airy-fairy notion that Premier Wetherall is becoming more and more attached to that there is no cost to these decisions?

There is great cost. There is great cost to families who will not get the chance for a second job and families who will miss out on opportunities because of this. You just have to ask the aged-care industry what this is going to do to them. This has great cost. It is a bad piece of state legislation and proves how incompetent the state government is. I condemn the member for Wakefield for moving this motion. (Time expired)

Ms RISHWORTH (Kingston) (12:22): I am very pleased to speak in favour of this motion. It is no surprise that the member for Mayo is railing against this. He is well known for his opposition to penalty rates in any circumstance, but I think the member for Mayo has to keep this in perspective. What we are talking about is declaring after seven o'clock on Christmas Eve and New Year's Eve public holidays. Cultural norms would suggest that Christmas Eve and New Year's Eve are important in our community. They are culturally important and something special. Indeed, many people in my electorate who migrated from England are used to celebrating the birth of Jesus on Christmas Eve instead of Christmas Day. We are not talking about an onerous task.

The member for Mayo talked about whole second jobs going. He needs to keep this in perspective. We are talking about two highly significant days in our culture. I think this shows that the state government is doing a great job. I have to say that this is an example of where people can compromise. I know that the member for Mayo is not used to that. Certainly his party here in the federal parliament is not used to working together for the betterment of all, but that is what happened in South Australia. I would like to commend everyone involved. This is something that was championed by the SDA, led by Peter Malinauskas, and a number of other unions. They negotiated with business organisations. I think that is a very good model, where you can get a compromise.

The legislation passed by the state government involves also broadening trading hours in the CBD, and I think that is very important and something that will make our city vibrant. But it does not extend to supermarkets. We have to remember that the policy of the Liberal Party in South Australia is to have total deregulation of shopping hours—24-hour shopping so that retail assistants do not get any time off.

FEDERATION CHAMBER
This is not just something that, as the member for Mayo said, insiders think. If he went out and spoke to his constituents and said, 'Do you think people should have a choice whether or not to work after seven o'clock on Christmas Eve and New Year's Eve; and, if you do choose to, should you be rewarded with penalty rates,' I think he would find that a lot of average people would say, 'Yes, we do think that is right. We do think that is the decent thing to do.' Indeed, a survey of people found that 80 per cent agreed with this. They agreed and believed that this was the right thing to do.

I do not think it is too much to ask that on these special, cultural occasions we give people some time off. Having worked in retail—and I know people in the hospitality industry—I know the lead-up to Christmas is very hard. It is very difficult. I used to work in a big retail company and it is a lot of work, and I have to say they work towards this in a very diligent way. Having some time off is really incredibly important. So this is an agreement of government, business and the union movement, working together to get a good outcome not just for workers but for whole communities, for families that want to be able to spend Christmas Eve and New Year's Eve with their loved ones.

While the member for Mayo would like to blow this up into a debate about penalty rates—as I have said before, we do know he is against penalty rates—we on this side of the House—

Mr Briggs interjecting—

Ms RISHWORTH: believe strongly that people should be remunerated if they have to work at difficult times, at times that are not usual working hours. Therefore, I think this is good. I would like to congratulate Peter Malinauskas, Business SA and also Premier Wetherill on really showing a lot of foresight on this issue. (Time expired)

Mr Briggs interjecting—

The DEPUTY SPEAKER (Mrs D’Ath): Before I give the member for Hughes the call, I remind all in the chamber that speakers have a right to be heard in silence.

Mr CRAIG KELLY (Hughes) (12:28): Given some of the debate that we have heard from the other side, I think it is important to look at exactly what this motion says because, from what we have heard from the other side, we simply do not know if they are actually debating the motion before us. The wording is:

That this House:

(1) notes the South Australian Labor Government’s proposal to extend trading hours in Adelaide with the exception of certain public holidays;
(2) acknowledges that Christmas Eve and New Year’s Eve are important occasions for families and communities to spend together; and
(3) supports the South Australian Labor Government’s policy to declare part day public holidays after 5 p.m. on Christmas Eve and New Year’s Eve.

It seems a rather innocuous motion. However, on the issue of trading hours I believe that a business, especially a small business, should be free to open when it wants to, rather than being told by government legislation when it can and cannot open.

The difficulty that small business people have is that, when they have to open on a weekend—on a Saturday or Sunday—because of the penalty rates they would be forced to pay their staff, they find they have no alternative but to work those hours themselves. So we find throughout our community that we have many people in small business working six- and
seven-day weeks, longer than anyone else in any other sector of the community, to keep their business open because of this type of legislation. Those who are often in favour of this legislation are silent on what is truly affecting small business, that tilts the level playing field away from them, and that is our zoning laws, which have a great restriction on where a small business can establish and set up. That is what causes the great inequities that we see in rent paid by small business compared with their larger competitors.

It is worth while noting a comment by one of the most notable economists and social philosophers of the 20th century, Ludwig von Mises. He talked about central planning and how it influences people's ordinary lives; about these types of restrictive planning laws that restrict where small business can be located:

The planner is a potential dictator who wants to deprive all other people of the power to plan and act according to their own plans. He aims at one thing only: the exclusive absolute pre-eminence of his own plan.

That is where we see so much difficulty in our retail sector. These issues are a result of the restrictions that we have on where small retailers can set up shop.

Running a small retail business in today's economy is very difficult. We are now, probably for the first time in retail's history, competing on an international scale. If you are running a retail shop today, you are in competition with anyone selling on the internet. The internet is open 24 hours a day, seven days a week, 365 days a year. That is why we should look to deregulate our retail areas where we possibly can, to try and give our retail shops the ability to compete against the internet. But we also need to look at deregulating our zoning laws to drive rents down and make sure that small business in our retail sector can compete effectively against the internet, because that is currently not happening.

Christmas Eve and New Year's Eve are important occasions for families to spend together. However, if a retail shop wishes to open on those days, should it be up to the government to legislate and say that they have to close their doors? I say that is a step too far. Although this motion is quite simplistic, we need to be very careful we do not overregulate our retail sector, not only in our zoning laws but especially in our planning laws as well. Thank you.

Mr ZAPPIA (Makin) (12:33): I rise to speak in support of this motion and commend the member for Wakefield for bringing it to the attention of the House. I listened to the comments from the member for Mayo and I will say two things. Firstly, at least he as a South Australian was prepared to come into the chamber and debate this issue; I do not see any other South Australian members here right now debating an issue that is pertinent to South Australia.

I come to this debate as someone who from the time I left school to the time I came into this chamber ran a small business. I operated a small business and in fact a range of different small businesses along the way that operated seven days a week from morning til night. I can well recall that each Christmas and New Year's Eve the businesses I operated were open. I would always work on those evenings, because I did not want to impose on the people who worked for us, to take away from them what I believed was very important family time.

It is a very important time for families. Irrespective of whether or not you are a Christian, irrespective of whether your new year starts on 1 January, those two occasions are universally accepted as times of celebration across the world, particularly for Christians. There is no other time of the year, other than perhaps the Thursday before Good Friday, that businesses around the country in fact close early in order to give their staff a little bit of extra time. So anyone
who works at those times is clearly being imposed on, clearly being deprived of family time and clearly making a sacrifice. It is high time that that was properly recognised, as is the case in the agreement drawn up between industry in South Australia and the South Australian government.

I want to make a couple of other comments in response to what the member for Mayo said. I was disappointed to hear him having a go at Peter Vaughan. I have not always agreed with Peter Vaughan, but I will say this: for years and years Peter Vaughan has been a voice for businesses and small businesses in South Australia. Whilst I might not have agreed with him on all occasions over the years, I certainly respect the fact that he was trying to do the best that he could on behalf of his members.

Mr Briggs interjecting—

Mr ZAPPIA: If the member for Mayo does not share that view, that is his opinion. But as someone who would probably see Peter Vaughan as being on the other side of politics from me, I have always seen him as someone who stands up for the people he represents. I would also make this point. He talked about giving a go to young people. It is my view that it is not about giving a go to young people in reality; it is about exploiting young people by saying to them: 'You will work for less than what you should be entitled to because you are desperate, because this is perhaps the only time that you can get a job.' I find that argument entirely flawed.

The third argument that the member for Mayo put up is that small businesses today are competing with businesses around the world. That is absolutely true, but I cannot imagine any person in hospitality working on Christmas Eve or New Year's Eve having to compete with someone across the world. Nor can I imagine anyone working on New Year's Eve or Christmas Eve, even if they work in retail, having to compete with someone across the world, because people who shop at that time of the night are shopping because they need their last-minute goods and they are certainly not going to be able to get them from competitors on the other side of the world. So quite frankly that is also a flawed argument.

This motion recognises that we have changed shopping hours across the country in most states over the last three or four decades—and rightly so—but we have never stopped to think that, in changing the shopping hours, which we have done because society has changed, it might also be high time to look at what public holidays and what other times in a normal week are relevant and appropriate in terms of being paid penalty rates. This motion recognises that those two evenings are times that truly are set aside for families or, if not families, for friendships and so on. Anyone who works at those times ought to be paid appropriately.

It is interesting to note that all of those people who claim that they want additional shopping hours and who would like to see the shops open additional hours and the like are generally not working themselves. The loudest voice comes from those sectors of the community who do not have to make the sacrifice. (Time expired)

Debate adjourned.

A division having been called in the House of Representatives—

Sitting suspended from 12:38 to 12:57
Debate resumed on the motion:
That this bill be now read a second time.

Ms O’NEILL (Robertson) (12:57): I rise to speak in opposition to the Marriage Amendment Bill. I want to say at the outset that I have the utmost respect for my colleagues who are in favour of this bill, and my esteem for those in my own party is not diminished in any way because I hold a different view from them. I am pleased to be a member of a political party that accepts that this issue is one that involves deeply held and differing views, and so I will put my view on the record again and I will, when the time comes, exercise my right to a conscience vote.

It is a matter of public record that those opposite do not have the same option but are being silenced and held to a party political view. But this is an issue where genuine beliefs and identity are debated in our democracy, and we will find out as a test of this debate how weak or strong we are as a democratic nation. In a way this debate reveals to us our capacity or our failure to live with the tension of sharing the politics, respectfully acknowledging that there are different views and that each view should be heard.

I start out making that claim because it is too often the case in the debate about same-sex marriage that people who are opposed to it are maligned as homophobic, intolerant, bigoted, brainwashed by religious indoctrination or intellectually inferior to those who support it. I want to put on the record that such a view is of itself intolerant and ‘otherphobic’. I want to put on the record how proud I am of our federal party, following the victory of 2007, in undertaking the substantive program of legislative change that saw more than 80 pieces of law amended to give lesbian, gay and transgender individual Australians the same practical rights before the law.

Yet I stand in opposition to this proposed law before the House for a number of reasons. Firstly, regardless of culture, time or place, the organic nature of the family unit that is the natural consequence of the union of a man and a woman is the key social unit on which a stable society is built. Marriage is almost universally viewed as a legal and social event that is life generating and is understood to be much more often than not linked to children. Terri Kelleher from the Australian Family Association cites recent research and argues that:

Although the family takes many forms in contemporary Australian society, it is uncontroversial to insist that the ideal family environment is that in which children are raised by their own mother and father. According to a 2004 study, 73.6% of children under 18 in Australia live with their biological parents in intact families. It is a statistic we expect most Australians would applaud: the more children growing up in such circumstances, the better. The institution of marriage is instrumental in realising this ideal, by binding a man, a woman, and their biological children in a stable family unit.

The Marriage Act defines marriage to mean the union of a man and a woman to the exclusion of all others, voluntarily entered into for life. This is a commonly held position in the broad Australian community. It is a position expressed by our Prime Minister and a position held by many people of many faiths. Many but not all Catholic people like myself and Islamic people, Jewish people, secular humanists and Indigenous families think of marriage in this way. We
prize it and we understand it very certainly as a union between a man and a woman. The Chinese Methodist Church in Australia put it this way in their submission to the recent inquiry into this bill:

Marriage is the logical basis of the family … an institution fundamental to the well-being of all of society, not just religious communities.

... ... ...

The preservation of the unique meaning of marriage is not a special or limited interest but serves the good of all. Therefore, we stand all who are of a kin mind in promoting and protecting marriage as the union of one man and one woman.

The Ambrose Centre for Religious Liberty in its recent public submission on the bill cited Frank Furedi in the Australian on 25 and 26 June 2011:

From a sociological perspective, the ascendancy of the campaign for gay marriage provides a fascinating story about the dynamics of the cultural conflicts that prevail in Western society. During the past decade the issue of gay marriage has been transformed into a cultural weapon that explicitly challenges prevailing norms through condemning those who oppose it.

... ... ...

As a result, it does not simply represent a claim for a right but a demand for the institutionalisation of new moral and cultural values.

This brings me to another reality that needs to be acknowledged: too often it is overstated that the broader community is in favour of legislative change to the current definition of marriage. It is a claim that is made here again today, but it does not reflect the community to which I belong. A cursory view of speeches in this place in response to the call from the member for Melbourne to consult with our communities indicates that there are more elected representatives on the record in this place reflecting a majority community opposition to a change than there are elected representatives conveying community support. In short, community support for a change to the definition of marriage is overstated and community opposition is understated. For these reasons, and for several others that I will not have time to speak on, I oppose the bill.

Mr BALDWIN (Paterson) (13:02): On 17 June 2004 I spoke in this parliament in support of the Marriage Legislation Amendment Bill 2004, which made changes to the Marriage Act 1961. As I said in my speech of 17 June:

A marriage is and should be between a man and a woman, to the exclusion of all others, voluntarily entered into for life. The amendments in the Marriage Legislation Amendment Bill 2004 include those marriages entered into in other jurisdictions and overseas, measures which are important to ensure legal loopholes are not used to introduce social changes which go against the will of the people. Far be it from me to criticise the courts, but where there is a lawyer and there is a loophole, there is a possibility for social change. The other amendments to the Marriage Act will spell out that overseas adoptions cannot be undertaken by persons not in a marriage which is recognised in Australia. These are consistent amendments, consistent both with the social expectations of the people of Australia and the legal definition of marriage.

I will not delay the House further by restating all I had to say at that time.

I acknowledge that there has been a concentrated campaign to change the definition contained in the Marriage Act to allow same-sex couples to marry. I respect their campaign
and, in particular, the right they have in a free and democratic society to pursue their agenda without the personal persecution that may happen in other countries and societies.

There are two bills aimed towards changing the act to allow same-sex marriage currently before our House. However, I am extremely disappointed at the tone of the argument made by certain individuals and groups alike who are pro-same-sex marriage, making me a target, stating that I am homophobic for not supporting the change. I can assure this House that that is not the case. Whilst I understand the highly charged emotion attached to their argument, I do not agree with the tone from some—and, thankfully, not all.

I do not discriminate against any individual on the basis of gender or sexuality. I choose and always have chosen my employees on the basis of their ability to deliver the outcomes required. I choose my circle of friends on the basis of common interest; sexuality and gender do not come into the argument. I am not going to name names, but I have had in the past, currently have and probably will in the future have employees who are homosexual. But they work for me because they have the capacity to do the job and to deliver the outcomes required. I have a number of genuine friends who are homosexual, both male and female, because we share a common interest across a broad selection of topics. As I said, and I want to restate to the House, I am not homophobic. For those who say I am not reflecting my electorate of Paterson, I also say that is not the case. In my office, we keep an electorate database of all contacts from my constituents. Of all of the emails, phone calls, letters and meetings with my constituents of Paterson in relation to the issue of same-sex marriage, as of last Friday 92 per cent were against same-sex marriage. Only eight per cent were for it. For those who said I should have spent money surveying the whole of my electorate, the feedback from those both for and against has been resounding enough not to warrant further expenditure. I have said to them they are welcome to do a whole-of-electorate survey and provide me with the results, along with details of how the polling was done. Nothing has transpired.

I say to those who have condemned me for my stance that I am representing the majority view of my electorate of Paterson, which also happens to align with my personal view, based on my strong faith values. I recognise and acknowledge the right of any individual to campaign on any issue. I recognise the rights of the individuals to have their own views and their own opinions. But it also should be said that they should respect me and allow me to have my views and my values. They are based on a Christian faith and fortunately, in this situation, they are reflected by the broader consensus of my electorate. Therefore I will be opposing this bill in its entirety.

**Ms SMYTH (La Trobe) (13:07):** This debate is about change. It is the next stage in a long line of important policy changes relating to marriage and the status of married people in Australian society. So far as women are concerned, it was only in 1883 that the South Australian Married Women's Property Act began to allow married women to own and dispose of property in Australia. Despite most women gaining the right to vote in 1902, women could still lose their Australian nationality when they married a non-Australian national, even up until the late 1940s. Before 1966, many women had to resign from Public Service positions upon getting married. After campaigns for change, Australian society and its parliaments have changed their views on the status of women, once regarded as mere subjects in the institution of marriage.
As late as 1959, Indigenous Australians did not necessarily have the right to marry a person of their own choosing. The case of Gladys Namagu and Mick Daly in that year demonstrated the arbitrary nature of marriage arrangements in relation to Indigenous Australians. Gladys, an Indigenous woman, and Mick, a white man, were denied the opportunity to marry at first instance. This kind of discriminatory treatment in marriage was to change after much struggle, including the 1967 referendum campaign. Before 1975, we still had a system of fault based divorce in this country. Some would prefer that system to still be in place. I strongly, strongly disagree. Fortunately, so did others, with the effect that in 1975 we saw a more humane approach to the already difficult decision to end a marriage.

To all of those who campaigned and struggled for change in relation to each of these important issues, I say thanks, because those changes have reflected broader societal change. They have corrected injustices and they have made us a better society. Campaigns for racial and gender equality have been hard fought and are ongoing. They have rightly reached into all aspects of law making, including laws relating to marriage. This campaign and this debate will be the same. It is an historic debate which reflects a shift in social expectations. Australia agreed to be bound by the International Covenant on Civil and Political Rights in 1980, and, in so doing, it recognised the importance of equality before the law and principles of nondiscrimination. There has been a lengthy campaign for law reform to reflect these basic premises in the ensuing decades and it continues today. After winning the 2007 election Labor pushed on with reforms which saw around 85 Commonwealth laws changed to remove discrimination on the basis of sexual preference. I am proud that we did. Last year Labor's national policy platform was changed to support amendments to the Marriage Act which would ensure equal access to marriage under statute for all adult couples, irrespective of sex, who have a mutual commitment to a shared life. I am speaking in support of marriage equality today to give effect to those statements. I will be voting in favour of marriage equality in the bill before us and I hope that other members of my party will do the same. I simply believe that voting for marriage equality is the right thing to do.

There will be those who disagree with me. I am a member of the House of Representatives Standing Committee on Social Policy and Legal Affairs and I have listened to the witnesses who have come before the inquiry into the bill. Strong views have been put against the bill. I have found them, in the final analysis, to be unconvincing. On this occasion votes against marriage equality may prevail, but I know that this debate will not end merely because debate on one piece of legislation ends. It will continue in society until equality, including equality in marriage, is achieved regardless of sexual preference.

Mr HAASE (Durack) (13:11): I rise to fiercely defend the status quo in relation to this bill. Change for the sake of change is simply a waste of human endeavour. All of us are constrained in society by the mores of that society popular at the time, and any change that is sustainable is change that is well thought through and necessary. None of the aforementioned are required for change to the Marriage Act. The Marriage Act clearly states, as you are all aware and as has been heard ad nauseam, marriage is between a man and a woman for life to the exclusion of all others. It is the perfect world. Of course, it is the perfect environment for the propagation, raising and teaching of children to sustain the society that we have and enjoy today and that some of us fiercely defend.
There are others in the community, sadly, who would have change ad nauseam. The slightest suggestion by one minority group in society that tomorrow ought be different from today is listened to, splinter groups are formed, lobby groups are formed and suddenly we, who maintain the status quo, are encouraged to feel as though we are second-rate citizens because we do not believe in the particular popular 'ism' of the day.

I am proud to be a stick-in-the-mud if that is what I am to be categorised as. I have no hesitation in accepting that couples, multiples or whatever may live together and choose whichever particular sexuality they desire, but at the end of the day any domestic relationship is just that. It is enjoyed by members of our society in a free society. What they do not have the opportunity to enjoy is declaring themselves equal in every respect to a couple that is a man and a woman living together to the exclusion of all others for life; therefore, they are not married. If couples wish to lament the fact that they cannot be married because they are a same-sex couple or living in a polygamous arrangement, so be it; such are the constraints at law in our society today and so they ought to be. I was much heartened to hear a member of the government today express so much good sense when the member for Robinson came into this place and expressed her point of view, firmly espousing that she would not be changing her point of view, because she thought it was right. I too believe that my point of view is right and that the definition of marriage ought remain.

There are many other definitions of relationships. I have some here. We have polygamy, and most of us know about it. It encompasses both a man with multiple wives in polygamy and also polyandry, which is one wife with multiple husbands living in a domestic relationship. We have polyamory, a de facto type of marriage where both partners have more than one partner. And then we have polyfidelity, which is an expanded monogamy. All of these arrangements exist in our society today and no-one loses a great deal of sleep over that. But none of those aforementioned relationships can consider themselves to be married. For the sake of those couples who do live as man and wife, a male and a female, to raise children in an environment which is most popular and stable in our community today, they ought not to be shown disrespect or denigrated by giving the same legal definition to all of those other domestic arrangements.

I state my case. I firmly believe in maintaining the status quo and that any debate in regard to changing the Marriage Act is such a waste of time in this place because there are so many other vitally important issues to be debated.

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (13:16): I support the Marriage Amendment Bill 2012 that has been proposed by the member for Throsby and supported by others. Like many members, I have taken many points of view from amongst my constituents and have consulted in relation to the issues and I think it is fair to say, as everyone would be familiar with, that there are many strong points of view right across the spectrum on this issue. But ultimately for me as a member of parliament and as an individual this is a matter of discrimination against same-sex couples that I believe the parliament should remedy. Same-sex couples should not be denied the ability to marry if they should choose to do so.

The bill amends the Marriage Act 1961 to address this issue by amending the definition of marriage from 'husband and wife' to 'two people'. Importantly, it does not place an obligation on a minister of religion or a marriage celebrant to marry same-sex couples if they should not
wish to do so. The bill simply seeks to remove discrimination and to advance equality in our society. It is important, as the member for Throsby indicated in introducing the bill, to note that marriage has changed over the years. We no longer have betrothals and dowries, a wife's vow of obedience or the prohibition of certain interracial or interreligious marriages. Times change and it is important that the legislature change with them. Ending discrimination does not take away someone's rights; it establishes equal rights for members of our community.

Labor, I would submit, has a very proud history of fighting for rights and ending discrimination. That is one of the reasons that I am a member of the Labor Party and the Labor movement, although I have enormous respect for the diversity of views on this issue amongst the members of the Labor Party. When one looks at the history of the Labor Party, it established the Racial Discrimination Act of 1975, the Sex Discrimination Act of 1984, the Disability Discrimination Act in 1992 and in the last term of this parliament Labor amended 85 separate pieces of legislation to remove discrimination against same-sex couples. Australia is not acting alone on this matter either. Ten countries and even more jurisdictions now allow same-sex marriage. Although I do respect, as I have said, the different views in relation to this matter, the Labor movement has always fought for equality and justice and I believe that this sits within that tradition.

As for many other members, this is also a matter relevant to my own family and extended family. I cannot and will not contemplate support for discrimination against persons whom I care for. Should members of my family or my friends wish to solemnify their same-sex relationship by seeking to become married, I have respect for that. For the people for whom I care and have regard, I as a member of parliament but particularly as a member of my family cannot support discrimination let alone in the way that I construct the current arrangements discriminate against the rights of same-sex couples to marry. For those reasons, in brief, I do support the Marriage Amendment Bill 2012 and am happy to have my support on the record.

Mr CHESTER (Gippsland) (13:20): I have spoken in the past on the issue of same-sex marriage and I intend to remain consistent in both the tone and content of my contribution here today. I am opposed to same-sex marriage but I recognise that there are very strongly held views to the alternative and I acknowledge that this issue does have the potential to become quite divisive in the wider community.

In relation to the tone of the debate, I take my lead from the previous speaker. I think his contribution was very respectful in tone and I think that is the manner in which the debate should be held. It is my intention to participate in this debate along those lines and to listen to both sides. As I said, I think there is a real risk of this debate becoming very divisive in the community. I think some, particularly some on the Left, have deliberately used inflammatory language, portraying people who do not support same-sex marriage as being somehow bigoted and homophobic. I think that is terribly unfair and not the way we should allow this debate to develop.

On the weekend, there was a great example of how this debate should be pursued when the Nationals had their state conference in Bowral. A motion on this very issue was narrowly defeated, but it was a very mature and constructive debate. It is fair to say, perhaps, that a lot of the younger members of the party were advocating change, but I do not think same-sex marriage is an issue which neatly divides on the basis of age or any other basis.
I have had the chance to ask a lot of people in my electorate for their views and I have often been surprised by their comments and the level of passion they have about this issue. Many people are quite ambivalent about this issue and think that there are far more important issues for this parliament to be considering at this time in our history. However, there are others, on either side of the debate, who have very passionate views. I understand that. I am not trying to belittle the issue. But it is fair to say that a significant number of people who contact me on this issue want us, in this parliament, to focus on other things. That is what brings me to my conclusion—that I am not sure how much longer we should continue to have this debate. The issues have, I believe, been well and truly canvassed both in this place and in the broader community and surely it is time to bring on the vote. Bring on the vote and let us see where we stand on this issue. Get a clear indication of where we, the 43rd parliament, stand on this issue and then move on to the other issues which people in the community regard as being of greater importance to their lives at this time.

In relation to the substance of the issue, I do support the recognition of legal rights within same-sex relationships but I do not support the proposed changes to the Marriage Act. I think that is the only politically consistent position and the only position of integrity I can take, because it is the position I took to the people of Gippsland at the last general election. Importantly, that position is also entirely consistent with the broader view of my party. We took a position of being opposed to same-sex marriage to the voters at the last election and we are consistent in the application of that policy position in a very open and transparent manner. There have been no surprises in relation to the view of the Nationals and my own personal view. If we wanted to adopt a different position, I think it would be incumbent upon us to take that back to the people who elected us in the first place.

I think that stands in stark contrast to this Prime Minister and her breach of trust on the carbon tax. This Prime Minister explicitly ruled out introducing a carbon tax prior to the last election, yet only weeks or months later she had a change of mind. But she did not take it back to the people of Australia. That is where this Prime Minister and her fundamental breach of trust have caused so many problems for the current government. I think this issue is the opposite of the approach I have taken—I took a position to the people of Gippsland and I am going to be consistent with it. That is the openness and transparency I think you need to show as a member of parliament. If we are going to restore community confidence in the integrity of our democratic system and restore faith in the parliament and the people who serve here, this is a very important principle to remember and one I intend to adhere to whenever it is humanly possible to do so.

As I said, I had a position of opposition to same-sex marriage at the last election campaign and I will continue to maintain that position for the remainder of the 43rd parliament. I certainly do not intend to change my mind on this issue and, even if I did, it would be after I had given my constituents the chance to vote at a general election. So I say again: I think we should bring on the vote on this issue. We need to have the vote and move on to other issues of importance to the Australian people. I acknowledge that this is an issue about which members of parliament clearly cannot please everyone in the electorate or in the broader Australian community. Some people in my electorate will be very disappointed with my view and others will be very pleased. I fear that we may have to agree to disagree on this particular point. I would like to reassure those who may be disappointed by the position I have taken
here today that I will continue to work in support of other efforts to improve outcomes for gay and lesbian people in the Gippsland community, but I will not be supporting changes to the marriage act.

Mr PERRETT (Moreton) (13:25): I also rise to speak on the Marriage Amendment Bill 2012. My views and opinions on this matter are on the public record. Last week I made abundantly clear that I support marriage equality and outlined my reasons for that support. Today, I thought I would share with the House, and particularly with my electorate, the different views regarding marriage equality in the many emails and letters that I have received in my office—certainly the ones that are printable. I can say with absolute certainty that, and this reflects the view of the earlier speakers, marriage equality is a very divisive issue for many. People have come out of the woodwork—not the closet but the woodwork—in support of their opposition to same-sex marriage and have offered a variety of reasons for their position. However, I would suggest that there is a vast, untapped middle group of Australians who are not particularly passionately for or against same-sex marriage; perhaps they are indifferent or even supportive of change. Certainly, the random surveys have suggested consistently that across Australia about 65 per cent of people are in favour of allowing same-sex-attracted people to marry.

I received letters from a number of churches, one organisation and quite a few individuals. I will give one example, from many in the Greek Orthodox community of St George in Brisbane who passed their view on to me. I am respectful of the views of the Greek Orthodox community of St George—I have been to one of their services. I know that this is a deeply held belief for many people in that community. Other people have written to me, saying that they have a particular problem with the idea of children being raised by either two mothers or two fathers. One individual—I will not name names—goes on to quote studies and give statistics about children who go through their whole life never experiencing a bond with a father or the nurturing characteristics of a mother and the effect this has on children emotionally, mentally and physically.

The reality is that there are many single-parent households in Australia where people do manage to become good, responsible citizens who go about their day-to-day lives. Despite the absence of a mother or father, which might be sad and might even create some emotional baggage for them, they nevertheless get on and do what they can.

We know that Australia is changing. I see in the latest ABS data, which was released late last week, that for the first time the actual number of people in a registered marriage fell below 50 per cent. Even in those modern-day marriages that are occurring, only around 30 per cent—and it is heading south—occur in a church, a mosque, a temple or in some other religious establishment.

Obviously, religious beliefs play a large role in individuals' views, particularly surrounding same-sex marriage. I have received many emails and letters from around the country from people who believe that the Bible and Christianity recognise that marriage is only between a man and a woman and that because marriage has been between a man and a woman for centuries it ought to continue in this way. None of these people actually advocated that we should give our leaders the right to have 700 wives, like Solomon, but I do not think that any of our leaders would be willing to take on the challenge anyway. One of the correspondents referred to Genesis 2:18:
Then the Lord God said, "It is not good for the man to be alone. I will make a helper who is just right for him."

On the other hand, I have received emails from constituents in my electorate of Moreton who believe same-sex partners should be equal before the law and should be able to marry if they so choose. They ask that the government keep pace with society's expectation of the natural progression of equal opportunity for gay and lesbian couples and urge parliamentarians to achieve this historic reform as soon as possible.

As I have mentioned in this House before, last year I conducted my own survey, receiving 2,270 survey responses. The breakdown from the survey was: 44 per cent supported the current definition of marriage, 53 per cent supported change and three per cent were unsure. This is a challenging topic, and I look forward to engaging with my constituents for as long as possible before it is changed.

Mr SCHULTZ (Hume) (13:30): I rise to oppose totally the Marriage Amendment Bill 2012. Once again we are confronted with social-engineering attempts that focus on the self-indulgent homosexual movement's push for same-sex marriage. Society is expected to take for granted claims—driven by bullying tactics of activist minority groups—of discrimination and inequality over marriage. The question needs to be asked: how are homosexuals discriminated against when no homosexual is denied marriage under Australian law and marital requirements are applicable equally to every Australian resident without exception? Isn't declining to accept marital rules a self-discriminating free choice and not a social or legal discrimination? De facto heterosexual couples are not discriminated against for choosing to refuse marriage, so what is the special obligation or need for homosexuals to marry?

History and culture have never regarded a pair of same-gendered individuals as a cohabiting couple deserving a title or a special minority status. It goes without saying that if marriage were redefined to include same-sex couples, then adult-consenting incest, polyandry, polygamy or group marriage relationships could not be excluded without once again raising issues of discrimination. In 2003, Peter Spriggs wrote an article titled 'What's wrong with letting same-sex couples "marry?"' printed in issue No, 256 Family Research Council, Washington DC. He said:

… abolishing the option of marital eligibility and legalising same gender marriage would create a special, exclusive, classificatory right no one else has and discriminate the social order. Everyone including homosexuals has the same equal option "to marry a person of the opposite gender who is of age, sane, not married and not a close relative".

If our biological make-up is physiologically, functionally and psychologically designed for complementary intimacy with the opposite gender, why do homosexuals possessing heterosexual gender choose biologically incompatible partners?

Homosexuals do have the human right to self-determination, including the right to choose incompatible partners, but where is their right to demand society accept biologically and socially incompatible partner choices for marriage? Since the often publicly expressed words 'right to marriage' do not exist under the Australian Constitution, the claims and demands are flawed and driven by activist propaganda to influence public sympathy for ineligible self-chosen relationships. I think it abominable that gay activists continue to focus on and manipulate civil rights strategies to justify claims for same-sex marriage and keep using discrimination, inequality platforms and homophobic accusations to intimidate politicians and
the public. Noted American lesbian and literary figure Camille Paglia quite succinctly argued in 1974:

Nature exists whether … like it or not. And in nature, procreation is the single relentless … norm … our sexual bodies were designed for reproduction.

She also argued, surprisingly, that gay men had a right to marry but to a heterosexual woman.

This bill is about future muzzling of churches, requiring primary and secondary schools and even kindergartens to indoctrinate children that gay, lesbian, bisexual and transsexual lifestyles, as well as having two mothers and two fathers is no different from having a mother and father. Marriage is a public, not a private, institution; it is not a socially engineered niche for a minority making up its own terms and conditions that, as has been shown, share absolutely no common values with marriage.

A number of my parliamentary colleagues have come into this place today and spoken in this debate. In fact, one colleague said to me while we were coming up in the lift: 'You've got nothing to lose—you're retiring.' I will put on record, as I have done in the past, that this is not the first time that I have defended the sanctity of marriage. I will continue to do so now and into the future; whether I am a member of parliament or not is irrelevant. I do that because constituents have overwhelmingly supported me in my defence of the sanctity of marriage. As I said at the outset: I oppose this Marriage Amendment Bill in its entirety.

The DEPUTY SPEAKER (Mr Murphy): Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Sitting suspended from 13:36 to 16:02

Legislative Instruments Amendment (Sunsetting Measures) Bill 2012
Second Reading

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

Mr KEENAN (Stirling) (16:02): I rise to speak on the Legislative Instruments Amendment (Sunsetting Measures) Bill 2012. The Legislative Instruments Act 2003 provides that all regulations and other legislative instruments cease automatically after 10 years unless action is taken to exempt or preserve them. Because a large number of instruments were registered in the years immediately following commencement of the act, sunsetting will cause the mass expiration of over 6,300 instruments from 2015, with twin peaks in 2016 and 2018. The Productivity Commission in its 2011 report Identifying and evaluating regulation reforms identified a risk that instruments will be remade without adequate review and without proper consultation with business and other stakeholders.

It is noted that the sheer quantity of instruments required to be remade by government increases the risk that business and other stakeholders will not have sufficient time to make a meaningful contribution to any review. This bill will smooth sunsetting peaks by simplifying sunsetting dates. For instruments registered in bulk when the register commenced in 2005, the sunsetting dates will be spread out to reduce the number of instruments that expire at the same time and to provide for review and consultation.
The bill also inserts a provision to provide for thematic reviews. The introduction of thematic reviews was recommended by the Productivity Commission. Stakeholders will be able to participate in the regulation of their sector and contribute to consistency in regulation making. The bill will also allow for the repeal of spent and redundant instruments on the Federal Register of Legislative Instruments. Approximately 40 per cent of the 40,000 titles on the register are either spent or redundant but, to a person looking for information on the register, these instruments appear to be in force. The bill will also clearly communicate the requirements for explanatory statements that accompany legislative instruments. This will assist businesses and individuals in understanding the exact implications and effect that each legislative instrument will have.

The coalition recognises that small businesses are the backbone of the Australian economy, and that is why we continually look for ways that we can support those 2.7 million businesses by cutting red tape and encouraging productivity, investment and growth. The Coalition Deregulation Taskforce was formed in December 2011 to cut red tape and reduce the regulatory burden to businesses by at least $1 billion a year. The Productivity Commission has estimated the rewards for red-tape reduction to be worth $12 billion extra in GDP.

Labor promised a one-in one-out approach to regulation in 2007 yet, instead, it has delivered 16,173 new regulations and repealed only 79. I have not done the calculation to what that means but, clearly, there has been a dramatic failure from the idea of having one in one out. This has resulted in increased regulation for small businesses and has hindered productivity, investment and growth. It is clear from these statistics that only the coalition is interested in assisting small businesses and it will devise ways to reduce the time and cost of compliance for business.

I look forward to the recommendations that the deregulation task force will report on by 1 July 2012 and how these findings will shape coalition policy and provide relief for small-business owners. This bill will support an efficient consultation process for all delegated legislation and will create a comprehensible, clear and fair framework for businesses operating within Australia. Red-tape reduction is a vitally important role for this parliament to play. The truth is that over the years this parliament has contributed greatly, on both sides of politics, to an increasingly complex regulatory burden for small, medium and large businesses. This bill goes some way to sensibly addressing some of these issues, but as a parliament we have a lot further to go.

I thought that the government's one-in one-out promise in 2007 was highly laudable. If they had achieved anything remotely near it they would have done a good thing, but when you are talking about 16,000 regulations enacted as opposed to 79 repealed then clearly that has been a monstrous and enormous failure. To have made that commitment and then not even come close to living up to it is a great shame. We are very serious about reducing red tape within the coalition. The red-tape reduction task force is being led by Senator Sinodinos who, people will know, is somebody with enormous public policy experience in Australia. He is deadly serious about tackling this burden and I commend his vision for creating a climate in which businesses can reap some of the benefits from not having to spend all their time in compliance with government legislation.

Ms OWENS (Parramatta) (16:07): The Legislative Instruments Act is essentially about reducing red tape for Australian businesses. The Legislative Instruments Amendment
(Sunsetting Measures) Bill 2012 will enable the quick and efficient repeal of around 12,000 regulations. We will now be able to repeal thousands of unnecessary regulations through a new streamlined process rather than repealing them one by one.

This is the first time such a major clean-up of regulations has been undertaken. A second set of amendments improves the arrangements for the automatic repeal or sunsetting of regulations after 10 years and enables a review of those regulations as part of that process. Currently, sunset instruments must be reviewed strictly regulation by regulation, which can be cumbersome and confusing for affected businesses. This bill also encourages the review of regulations in a more coherent way—for example, by looking at regulations across a whole industry sector. In short, it makes it simpler for businesses, individuals and government.

Under the Legislative Instruments Act 2003 all regulations and other legislative instruments sunset or cease automatically after 10 years unless action is taken to exempt or preserve them. The purpose of sunsetting is to ensure that legislative instruments are kept up to date and only remain in force as long as they are required. Sunsetting is an important mechanism for the Australian government to pursue clearer laws and reduce red tape. However, the need to review legislative instruments to ensure they are still fit for purpose and, in many cases, to remake them after appropriate consultation may place acute demands on government and on stakeholders, especially businesses subject to regulation under legislative instruments. The issue has been highlighted in a number of recent reports. The Review of the Legislative Instruments Act 2003 was done in 2008 by the Legislative Instruments Act Review Committee, and a second report by the Productivity Commission in 2011 identifying and evaluating regulation reforms raised this issue of the complexity of review and consultation. So it is important that we get this right.

At the time of enactment back in 2003, however, the then government did not accurately assess the number of legislative instruments in existence, apart from those 663 which were already published in hard copy in the statutory rules series. A very large number of regulations were registered in the years immediately following the commencement of the Legislative Instruments Act, and that list rose from 663 to some 6,300 instruments in a very short period of time. Many of those instruments—just over 6,000 of them—are due for a mass expiration in the years following 2015, with two peaks in 2016 and 2018. So, while the act at the time assumed a relatively small number of regulations, we have really very large peaks approaching in the next few years. More than 40,000 instruments are now in force, and as many as 40 per cent no longer serve a purpose, most having become spent having achieved their purpose as commencing, amending or repealing instruments. So, again, it has gone from 663 on the hard copy in the statutory rules in 2003 to some 40,000 now in place.

Consistent with the recommendations of the Productivity Commission report, the purpose of this bill is to smooth these sunsetting peaks and to encourage high-quality consultation before regulations and legislative instruments are remade. Specifically, the bill will amend the Legislative Instruments Act 2003 to cull spent and redundant instruments and provisions up to 10 years earlier than is provided for under the existing sunsetting regime; to provide greater certainty about when instruments sunset; to provide staged sunsetting dates for older instruments; to enable the Attorney-General to align sunsetting dates of related legislative instruments to enable thematic reviews to be conducted, thus reducing consultation burdens
on stakeholders; and to clarify the requirements for explanatory material for instruments, including instruments that are remade following a review.

The bill introduces and encourages thematic reviews of legislative instruments by creating a mechanism to align sunsetting dates. This may involve bringing forward some sunsetting dates and pushing others back by up to five years. The ability to conduct thematic reviews will facilitate more efficient and effective review processes and enable departments and agencies to comprehensively engage with stakeholders prior to the remaking of any instrument. This is consistent with the Productivity Commission recommendation that more flexibility be introduced to enable thematic reviews of related instruments.

This is one of those bills that most people would not notice passing through the parliament. We have a relatively small number of speakers on it today.

Mr Sidebottom: Quality speakers.

Ms Owens: Quality speakers, yes—quality speakers, all of us, but a relatively small number of speakers. Yet it impacts on the workload of many tens of thousands of businesses around the country. It is incredibly important that we as a parliament continue to clean out unnecessary regulation. The fact that there are some 6,500 regulations due for sunsetting shortly again indicates the burden if we do not clean out these regulations from time to time, particularly given that up to 40 per cent of those are likely to be not serving any purpose at all. The provision in this bill that allows for very early sunsetting of regulations that have already served their purpose is a particularly good one. It will prevent the list of regulations from growing in the way that it has, from 600-odd in 2003 to some 40,000 now. I commend the bill to the House.

Mr Billson (Dunkley) (16:14): On the surface the Legislative Instruments Amendment (Sunsetting Measures) Bill 2012 seems quite a constructive step forward, but it does mask what I believe is some government dysfunction. Essentially the proposition being put to us today is that, because we have not quite got our act together to conduct the necessary reviews and consultations in a timely way, we will reschedule the timetable for regulations that would otherwise have expired under existing sunset provisions.

It comes as no surprise to me that the government has found itself in this situation and, frankly, it has come as no surprise to many in the business community—particularly the small-business community—who have been struggling under an enormous burden of growing red tape. The coalition has been aiming to put a spotlight on the growth in red tape. Who would have thought that the natural attrition of regulations would also be something that was compromised by this dysfunctional government? Yet that is why we are here today. The government has failed to uphold its 2007 election commitment of one-in one-out in terms of regulatory instruments. I must say, for those who may be listening to this speech, that one of the most enjoyable—yet not gripping—things I have done over the last four years is that my office has been tracking these numbers and, at the risk of correcting one of the earlier coalition speakers, the sorry record for one-in one-out is now 18,089 new or amended regulations since Labor was elected, and only 86 have been repealed. That actually runs at a rate of about 210 new or amended regulations for each one that has been repealed. To quote that great philosopher Maxwell Smart, ‘Chief, missed by that much.’ The government's performance has been not even close to its election promise, and this has caused great consternation in the small-business community in particular, where an additional regulatory
burden may be dismissed by Canberra as just a small additional step or an additional requirement.

What is often missed in a workplace that might be a sole trader or a small, dedicated group of people is that all of these things add to an accumulating burden that takes people away from trying to ensure their business is profitable, that they are able to employ others and that they are able to create hope, reward and opportunity for the communities that they are part of. That is the record. The record has not been spectacular. It is a bit sad, because just recently we were trying to make that contribution by having small businesses in particular relieved of the needless and unjustified burden of being the paid parental leave pay clerk. It was a commitment that I thought we would have seen bipartisan support for, given the election promises that were made by Labor in opposition—this is in addition to the one-in-one-out. I keep going back to Friday the 13th, interestingly—July 2007. Ministers Plibersek, Gillard and Macklin in their former shadow roles issued a media release that promised that the paid parental leave would have certain characteristics. I quote:

‘Labor will not support a system that imposes additional financial burdens or administrative complexity on small businesses or in any way acts as a discouragement to the employment of women.

That was the promise, and that has been broken as well. We are seeing a pattern of failure in terms of red-tape reduction.

Even in your own state, Madam Deputy President Rishworth, Mr Georganas is actually proposing that we now create a ‘do not knock’ register. I did say that in 16 years it was the worst piece of legislation I have ever seen, which was the longest confession note that the Gillard government was unable to communicate with people. The belief was that more red tape was the solution, when all we needed to do was to get the message out that if people do not want door-to-door salespeople coming to their house they simply have to ask them to leave, and they are obliged to leave under the law. Currently there are cases before the courts to see whether a sign that says ‘do not knock’ amounts to that request to leave. That is already embedded in the current law and we should really be looking to make sure the law behaves as it was conceived. But no, there was an idea by the member for Hindmarsh that we would have more regulation. He characterised his electorate as having a large number of non-English-speaking background residents who were not able to say, ‘No, thank you, please go away’ or who were not able to put up a sign saying, ‘Do not knock,’ but somehow they would be able to work out who to ring to be put on a register to explain their circumstances—when the legislation itself could not even identify where the registrar would be found to put their name on the register to then look at all the exemptions that were in the legislation. If the current arrangement was thought to be too cumbersome, why add more red tape in a shambolic effort to look like you were doing something when the solution was probably worse than the problem you were trying to solve, notwithstanding the fact that the current law deals with it?

The reputation of this government with regard to red tape is quite troubling and quite problematic. It is quite true, as an earlier speaker, the member for Parramatta said, that there are anticipated peaks in the number of regulatory instruments that are due to be reviewed, and that is what planning is for. Planning is to anticipate and to understand that a statutory obligation for these regulations to sunset requires action in advance of them to see whether they are still relevant, valid and responsive in public policy terms. That could involve clustering. That could do any number of things that amount to the sensible preparation of a
known statutory obligation to deal with these regulations or otherwise they would expire. Instead, as of half an hour ago, we are still unable to establish what the shelf life is of regulations that were due to sunset had it not been for this legislation. So we do not even know which ones of these legislative instruments, otherwise subject to a sunset provision, will now have the paddles put on them to bring them back to life for a period of time that neatly coincides with a new phased review and consultation process, thematic or otherwise, all of which could have been perfectly easily and appropriately undertaken within the current construct of the sunsetting time frames for those regulations. But that has not happened. The government has been too focused on its own survival, its own day-to-day tactics, to take account of and be responsive to a legislative duty that it has, and its agencies and portfolios have, to realise that there is a whole bunch of regulations due to sunset under an existing provision.

Can you imagine the shock in the small-business community? Can you imagine how they are burdened by the 210 in or amended regulations for each one out—a number of broken promises in relation to the red tape and compliance obligation? I have just touched on paid parental leave as an example, and there are further Labor proposals for shambolic additional red tape that will offer no relief and no remedy to the problems it seeks to address. On top of that, we now have regulations—the small business community thought, 'Well, at least we'll be relieved of those ones that are being sunsetted out,' but no—that are going to have their shelf life extended. There is a process that can now be undertaken in an orderly way to conduct the review and consultation that could have started some time ago, knowing, as we all did, that this was the profile of the expiring regulations that the government and its agencies were faced with.

So, with regard to those twin peaks of government regulation and their sunset dates, the twin peaks are still there, man; we have just shifted them a bit, or we have broken them down to be slightly less peaky peaks. What we have done is, rather than seeing the sunsetting of regulations as the law required, we are going to keep some of them alive. We are going to extend their shelf life and their impact. We are going to continue to have to service and administer them while we get into some orderly arrangement to carry out a review that everyone knew was already on the radar screen, with legislated time commitments, an obligation to consult, a chance to ask what so many small businesses ask themselves every day when they look at yet another piece of regulation: how does this help? How does this in some way contribute to the peace, order and good government of the Commonwealth of Australia? How does this in some way add to the prosperity and opportunities in our community? How does this in some way improve the hope, reward and opportunities for our citizens and the quality of life they can enjoy? Those are very simple questions that are asked by small businesses every day. They would be hoping that the government would be asking itself those questions, because it was a legal obligation to do so.

Well, no, that is not what is happening under the Gillard government. They are going to fudge that date. The very simple question was supposed to have been asked: does this still represent a relevant, justifiable and appropriate response to public policy concerns in our country? You will see in the outstanding Productivity Commission report that touches on the review process what is involved, the time frames and certain key anniversary dates. It even goes on to things such as reviewing certain legislative instruments and how that is handled.
overseas, all of which is a very sound approach to good governance but all of which has not been carried through—a good backswing but no follow-through in relation to the government's promises on red tape and deregulation. At least the coalition take this seriously. We have identified opportunities already. We have not just put up a number of regulatory instruments which might encourage a mischievous government to bundle and package them up so that they look like less even though the burdens and compliance costs associated with them could have gone up quite substantially. Saying, 'Fewer words, fewer instruments,' the government would be out there patting itself on the back, but we have said, 'No, it is the cost that matters. It is the cost in terms of the time, the need to prepare, the changes to systems and the requirement to get advice where appropriate.' All of those are valid characteristics that are part of the Victorian process for evaluating the regulatory burden.

I would like to think we can restore small business hope, reward and opportunity in this country, because it is desperately needed. We need a government that is fair dinkum about the crucial role small business plays in our economy and in communities right across the continent. But, above all, we need to give small business the best chance at success not only for themselves but knowing that they provide in turn opportunities for others and add to the wellbeing and prosperity of their communities. One way of doing that is getting rid of needless, unnecessary and unjustified red tape. The government's record on that is, frankly, appalling. I think the best way to reduce the compliance burden on small business in Australia is not to mess with the sunset clauses and the twin peaks. It is to have an election and get a government that is genuinely committed to partnering with small business so that we are not binding them up in red tape and impeding their contribution to our economy and our communities.

Ms O'DWYER (Higgins) (16:26): I would like to commend the speech just delivered by my good friend and colleague the member for Dunkley, who rose to speak on the Legislative Instruments Amendment (Sunsetting Measures) Bill 2012. I rise as well. It is all too common an event both of us face that we need to rise in this place to explain how the government's policy differs from their rhetoric, how their actions do not meet their words and how their walk simply does not match their talk. This was never more apparent than in the case of regulation and red tape.

Under no circumstances can any member of the government come into the House and claim that they are cutting red tape and removing regulation when the evidence simply does not support this. I am Deputy Chair of the Coalition Deregulation Taskforce, which is so capably chaired by Senator Arthur Sinodinos and co-deputy chaired by Senator David Bushby. We have had the responsibility of meeting with community groups and businesses right around the nation, listening to the regulatory burden that they face. Let me tell you, it is not a pretty picture. It tells a story in which firms need to hire extra staff just to deal with administration, consultancy firms are specialising in compliance projects rather than growth projects and small business owners are spending their weekends filling in paperwork rather than spending time with their families.

Labor's record of regulation and red tape is nothing short of atrocious. Since coming to government in 2007, Labor has introduced over 18,089 new regulations, with fewer than 86 of those regulations repealed. Yet this is before the mother of all regulatory burdens is even set to commence—the carbon tax. When we have talked about the carbon tax, what people
have skated over in all of the debate to date is the over 1,000 pages of new regulations that go with this $9 billion-a-year new tax. There are 1,000 pages of regulations that have not yet been explained to business despite the fact that business has to comply with these regulations in only a matter of days. When we talk about uncertainty there is no greater example than a business not knowing what regulations they must abide by. Yet these regulations are coming in, as I said, in just a matter of days. How can the government be taken seriously on the issue of regulation reform when they will not even talk about this? They labelled the carbon tax the biggest 'economic reform' for a generation, and yet it is totally off limits at the tax forum, the regulation forum and the business forum. They are the three most significant events on the government's calendar in relation to business and the economy, but the biggest supposed economic reform in a generation dare not speak its name in those forums. If it were not so serious, it would simply be a joke. This is beyond farce and beyond comprehension. It defies logic that the government continue to stick their fingers in their ears and ignore the very loud and very real concerns from business about this new carbon tax.

In my meetings as part of the task force I have visited Perth, Brisbane, Adelaide, Hobart, Sydney and of course my home town of Melbourne. The task force has met with well over a hundred associations, businesses, individuals and not-for-profit organisations, and not one has come back with a message that everything is fine, that they do not face any regulatory burdens. There is clearly a very significant need to address the red tape and regulation burden. But who faces the most significant burden when it comes to red tape? As pointed out by my colleague the member for Dunkley, it is the 2.7 million small businesses of this nation that cannot afford to employ high-cost consultants to manage the extra administration. We have heard so much evidence that many small businesses simply ignore the myriad regulations that daunt them. They simply ignore them and hope that they are not penalised if in fact they are found to be in conflict with any of the regulations they must abide by.

Why is it so important for governments to support and facilitate the growth of small business? Is it because small business employs over four million Australians and represents 95 per cent of all businesses? Is it because small business is one of the most critical elements to the engine room of any economy? It is of course because when small business is thriving our entire economy thrives. The important role of government when it comes to business is to implement policy settings that allow businesses to grow and thrive on their own, without reliance on government handouts and subsidies, so that the small businesses of today have the opportunity to become the large businesses of tomorrow. This is how true wealth is created and shared amongst the community—not by demonising the wealth creators and waging class warfare.

The benefit of removing red tape and unnecessary administrative burdens has been well documented. According to the Productivity Commission, red-tape reduction can contribute up to $12 billion to the economy and represents four per cent of all business costs. Therefore, we do commend the government for adopting a Howard government initiative to at least attempt to remove some regulation. However, this bill deals largely with redundant regulation that will not have a direct impact on current day-to-day business activities. We want to see from the government a genuine attempt to remove regulation that is restricting growth and, as a result, reducing competition.
Let me give you an example: in order to tender for $5 million or more of government funding for construction projects, firms must be approved by the Office of the Federal Safety Commissioner. However, in order to gain this approval, the firm must employ an occupational health and safety officer on every project they are currently undertaking, no matter how large or how small. It could be a job as simple as digging a ditch. This position could cost a business as much as $150,000 per annum. Given that firms could have multiple projects running concurrently, the costs quickly escalate, thereby making it prohibitive for smaller firms to tender for these lucrative government contracts. It defies common sense. Consequently, only large firms have the capacity to compete for these projects, thus removing competition and forcing up prices. How can small to medium sized firms be expected to grow when they are in effect restricted from even tendering for such projects?

The government claim that they are addressing regulation through measures like this bill, even though we have already established it will not have any great effect on business. The government's so-called deregulation forum—a deregulation forum that I note only occurred after our leader, Tony Abbott, announced the coalition's deregulation task force—was simply a forum of 2½ hours with 25 participants, which equates to a measly six minutes per presentation. It is time for the government to stop playing around the edges and participate in genuine regulatory reform that addresses the real issues that businesses and not-for-profits are facing. But we know that under this government that simply will not happen.

It needs to be said that the coalition is not in and of itself against regulation. We believe that some regulation can be good and some regulation is necessary. The coalition, though, is against regulation that has no impact on its intended objectives or, worse, actually restricts companies from conducting business, like the example mentioned before. That is why the coalition, through the work done by the coalition's deregulation task force and in conjunction with shadow ministers, are meticulously working through, industry by industry, ways in which we can remove cumbersome and burdensome regulation. The final report will be completed later this year.

The coalition have already made significant announcements—including that we will be removing $1 billion of red tape and regulation—and the coalition deregulation task force will build on these. The coalition has already stated that, amongst other things, we will be creating a one-stop shop for environmental approvals that is, properly, overseen by the states, and provides an opportunity for the states to apply both federal and state environmental regulation in one process rather than in two, the process cannot be gamed and projects cannot be delayed.

We have also stated that we will simplify the administration of compulsory employee superannuation contributions by allowing small business to remit compulsory superannuation contributions to the ATO, which would then distribute them to superannuation funds. We have also committed to moving the administration of the national Paid Parental Leave scheme from small business to the government's Family Assistance Office. We will end the Gillard government's attacks on family businesses and the self-employed by recognising independent contracting as a legitimate form of business, allowing them the freedom to engage in and contribute to the economy without harassment or new legislation. But, most importantly, a coalition government will rescind Labor's carbon tax—a carbon tax that will increase costs for every small business and increase red tape and regulation, which will ultimately export jobs.
and emissions overseas. So, although we do support this bill, there needs to be a proper, real and concerted effort to deal with the regulation and red-tape problem that is plaguing our nation's businesses and strangling our capacity to grow and prosper as Australians.

Mr SIDEBOTTOM (Braddon—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (16:38): I am very pleased to be representing the Attorney-General in this matter. I would like to thank members of this chamber for their contribution to the debate on the Legislative Instruments Amendment (Sunsetting Measures) Bill 2012, most especially for their support of small business in Australia. There are 2.75 million small businesses, representing a third of our economy and employing some five million Australian workers.

Regulation and other legislative instruments are a fundamental part of our legal framework. They communicate the rights and responsibilities of business owners, big and small, and of individuals in a number of significant industries. So it is important that regulations and other instruments are simple to access and easy to understand. Reducing the regulatory burden, as all speakers have agreed, makes it easier for small business to get on with what they do best—that is, producing and employing. This bill is a key part of the Gillard government's commitment to industry and small business. These are practical, considered measures towards reducing the red tape and regulation that have historically tended to increase in active industries under successive governments, which the member for Stirling quite rightly pointed out. That is why this government is taking action to reduce regulation in a coordinated way and in close cooperation with industry. Indeed, the member for Parramatta quite clearly set out the extent of the sunset measures, for instance, that have existed since 2003 and the need to streamline the process of reviews.

To this end the bill will amend the Legislative Instrument Act 2003 in pursuit of three key efficiencies which I would like to speak about. First, it simplifies the sunsetting dates of legislative instruments and reduces the number of instruments that sunset all at once, making it easier for small businesses to understand their regulatory responsibilities. Second, it allows a new type of thematic review and provides more time for consultation. This will improve the quality and the clarity of instruments and give businesses a central role in the regulation of their own sector. Third, it allows for obsolete instruments to be repealed when they have clearly served their purpose, ensuring that both businesses and individuals will have better access to the law. The government then will be in a position to repeal thousands of unnecessary regulations through this new streamlined repeal process.

It is another example of the government working with the community to create a clear, understandable and fair framework for doing business in Australia. I know, for instance, that the Minister for Small Business, the Hon. Brendan O'Connor MP, will welcome this legislation on behalf of the millions of small-business owners across Australia. They will now be able to spend more time on growing their businesses instead of wading through redundant or ambiguous regulatory systems. The measures in the bill, including reforms to the requirements for explanatory material, will also make it easier for small businesses to understand their regulatory responsibilities and have a bigger say in how regulations are drafted, a point I think the member for Higgins was trying to make.

The Minister for Finance and Deregulation, the Hon. Senator Penny Wong, has also worked hard to ensure this legislation forms one part of the government's regulatory reform agenda. This bill implements recommendations from the minister's review of pre-2008...
subordinate legislation and is indeed consistent with the Productivity Commission's 2011 report *Identifying and evaluating regulatory reforms*. Reducing unnecessary red tape, all speakers and all members of this House would agree, will help Australian businesses be more productive, more efficient and more competitive. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

**STATEMENTS ON INDULGENCE**

*Mabo Native Title Decision*

Mr McCormack (Riverina) (16:44): Eddie Koiki Mabo and a group of Murray Islanders challenged almost two centuries of legal doctrine when they asked the courts to recognise them as the rightful owners of their land in the Torres Strait. On 3 June 1992, the High Court found the group did have native title and that it was a right that extended to all Indigenous Australians. Seven High Court judges declared:

... the Meriam people are entitled as against the whole world to possession, occupation, use and enjoyment of the lands of the Murray Islands ...

Eddie Mabo died of cancer on 21 January 1992, just five months before this historic High Court ruling, which would change Australian land law. The judgment was so historic because it completely overturned the idea of terra nullius—land belonging to no-one—and said that native title survived in many places even though the land had been taken by the Crown. Today the ruling continues to play an important part in islander identity. On 3 June 2012, Aboriginal people across the nation marked 20 years since this historic decision, which changed the lives of Aboriginal people and the ties they had to their land.

The Wiradjuri tribe reside in my electorate, with large populations being in Griffith, Leeton, Narrandera, Wagga Wagga and West Wyalong, as well as a number of other places. Based on 2011 census data for the division of Riverina, there were 6,866 people identified as Indigenous persons in my electorate. On Saturday, 26 May, I attended the Sorry Day commemoration for Wagga Wagga and was moved by the words of local elder and chair of the Wagga Wagga Aboriginal Elders Group Isabel Reid. I would like to share with you her eloquent words, which were superbly delivered:

Sorry Day remembers the separation of Aboriginal children from their families and communities

Taking Aboriginal children away began in 1869 and possibly before then.

It was a Government policy of the past.

Today is the day to remember because it is important to remember the past.

But we do have to move on and make a future for ourselves and our children.

It is up to us as Aboriginal people to do this.

It is our time now to make things better.

Once we had no say but now we have.

We need to take all the opportunities available to us.

I'll do what I can but it is up to each person to make their own personal choice.
Life goes on.
The hurt does go away in time.
We need for you to be proud of everything that Aboriginal people have achieved.
Be positive.
If I can do it, so can you.
I was part of the Stolen Generations but I had to carry on.
I am very proud of what Aboriginal people have achieved and happy that so many are doing well.
You can do well too.
You can build on the work of the people like William Ferguson, Jack Kinchella, Helen Grosvenor, Selina and Jack Patten.
They began the struggle.
It's up to us all not to let them down.
They had the hard row and we need to make sure we keep on going and do the best we can.
The past is history.
Tomorrow is a mystery.
But today, is a gift. That is why they call it the present.
Brilliantly said, Aunty Isabel.

On 2 December 2011 the shadow minister for Indigenous affairs, Senator Nigel Scullion, and I had the pleasure of visiting an establishment which encompasses the words of Aunty Isabel. Tirkandi Inaburra Cultural and Development Centre is an Aboriginal community-run centre offering Aboriginal boys aged between 12 and 15 years a culturally based residential program aimed at reducing future contact with the criminal justice system by strengthening the boys' cultural identity, self-esteem and resilience. The centre houses 16 boys at a time, and the boys stay at the centre on a voluntary basis for three to six months. Whilst at the centre, the boys engage in educational, sport, recreational, life, living skills and cultural activities which have all been designed to incrementally develop each participant's skills and abilities. Schooling is providing on site by the New South Wales Department of Education and Training. The centre is located on a 780-hectare property between Coleambally and Darlington Point.

The name 'Tirkandi Inaburra' means 'to learn to dream' in the Wiradjuri language. Tirkandi Inaburra delivers a culturally based residential program aimed at strengthening cultural identity and resilience and empowering its young participants to reach their full potential in life. Boys who live in communities located between the Lachlan and the Murray and between Balranald and the western side of the Blue Mountains are eligible to apply to come to the centre. The boys choose to attend the program, they choose to stay and they choose to comply with the rules. The centre, well managed by Anthony Paulson—who is a wonderful role model—is having an encouraging impact on the lives of those who have been mentored there. Most of the boys who attend this centre thrive once they rejoin their communities, and it is places such as this which Senator Scullion believes should be replicated across this wide brown land and which would make the late Eddie Mabo very proud. It is a positive place where people are given responsibility for the path their lives can take.
All fair-minded Australians want to see respectful and adequate recognition of Aboriginal and Torres Strait Islander people. As I said in my inaugural speech:

Nationally, we need to do more for Aboriginal health to increase the life expectancy and standard of living of our first nation people.

Help needs to go where it is most needed. Words are one thing, but genuine, desperately needed action is essential to enable better health outcomes, more affordable housing and greater job prospects for Aboriginal and Torres Strait Islander people in rural and remote areas, including the Riverina. The money is there to achieve such goals; it just needs to be allocated appropriately so it does not end up in the pockets of bureaucrats and lawyers.

A recent account of where we are failing was shown by the ABC's 7.30 a few days shy of Mabo's 20th anniversary. On Wednesday, 30 May ABC reporter Caro Meldrum-Hanna was on the streets in a small Aboriginal community which has been plagued by abuse and violence. Less than 10 hours drive from Sydney, the world's seventh richest city, lies a community racked with despair, beset by strife of the worst imaginable kind. For decades the mission and its people went unnoticed and ignored until Marcus Einfeld, the then President of the Human Rights and Equal Opportunity Commission, crossed the divide in 1987 and launched an investigation into the living conditions and the state of housing inside Toomelah in northern New South Wales. What he found shamed the nation and forced people in high places to take action.

Dirt roads were paved, housing was built and a sewerage system was put in place. Yet despite tens of millions of dollars worth of government funding which was poured in over two decades, and despite the involvement of dozens of government agencies, the problems which plagued Toomelah of yesteryear are still sadly all too present today. According to elder Glynis McGrady, children as young as five are being raped and girls as young as nine were prostituting themselves at truck stops for cigarettes and money. Sexual abuse is rife in the community, yet little is done. How could we let this get so bad?

The federal member for Parkes, a colleague of mine, Mark Coulton, said the ABC's 7.30 shows exactly what is happening in Toomelah. He has been working with both Toomelah's local government and the Nationals state member Kevin Humphries to come up with a solution which will benefit the community. In 2009 the government closed down the Community Development Employment Projects, exacerbating social problems and intensifying the high level of unemployment. The Community Development Employment Projects, an initiative to assist unemployed Aboriginal people, was hugely popular in Toomelah and created local employment opportunities for residents. The community has unfortunately experienced a number of ill effects since the closure of the program.

The area holds a special place in my federal colleague's heart and he wants to see the right thing done for these people. He said: 'The people of Toomelah are good people. The community has a special place with me. Something needs to be done. I know most of the residents personally. I am very fond of them. They are wonderful people, but they are living in a very troubled society. While it may be fair for adults to choose how they live, the children that live within that community have no say as to the poverty they are brought up into and they need their safety secured.'

In his inaugural speech to the New South Wales parliament on 30 May 2007, Kevin Humphries said:
I would say, and am saying, sorry—sorry for what we have not achieved for Aboriginal people in this country. It is 40 years since the recognition of Aboriginal citizenship and I can honestly say we have a very long way to go in closing the gaps that exist between the lives of indigenous and non-indigenous people. I am committed to growing and supporting leadership within our Aboriginal communities, growing community capacity and encouraging all people to take advantage of what mainstream Australia has to offer.

However, with bad examples come good ones. On 27 March this year, as part of the fly-in fly-out inquiry of the House of Representatives Standing Committee on Regional Australia, I had the pleasure of visiting Milikapiti, a community on Melville Island off the coast of the Northern Territory. The health centre staff on the island include Raelene Mungatopi, who won the 2010 award for excellence from the Northern Territory health service for having the highest blood testing rates in Australia for diabetes diagnosis and ongoing management. Another Aboriginal health worker, Miriam Daniels, has achieved one of the highest child immunisation rates in any Aboriginal community in the Territory. Both women noted that they had taken up training on the urging—might I say insistence—of Raelene's aunty but were finding it hard to find successors because of the need to go to Darwin for training.

The Aboriginal people in my electorate of Riverina are another example of people moving on and making a future for themselves and for their children. In the past few months I have attended openings of Aboriginal medical centres in the larger centres of Griffith and Wagga Wagga and was lucky enough to tour these great new facilities. The Aboriginal people are taking what they have and moving forward to establish a better future for the younger generations. On Friday, 8 June the Griffith Aboriginal Medical Service was officially opened. The service is dedicated to the entire community and currently has 6,500 clients on its books, with 2,000 being Aboriginal people. The Griffith Aboriginal Medical Service was established in July 2000 and now has a centre of which it should be rightly proud.

The original organisation was a community controlled health service in name only, having no resources to provide healthcare services to Aboriginal people within the region at the western end of the Riverina electorate. In May 2004 the Aboriginal medical service received funding from the Department of Health and Ageing. In 2009 the Aboriginal medical service received capital works funding to purchase and refurbish an existing building and to relocate existing services into a more spacious facility. The relocation occurred in November 2011. On the first day of the following month, Senator Scullion and I toured the new centre in Jondaryan Avenue. I was most impressed with the outlook of this new centre, which not only featured services for medical treatment but represented a safe place for teenagers, new mothers, struggling community members and anyone in need of help of any kind to go. The centre offers a comprehensive range of services to assist the community.

A similar service is being established in Wagga Wagga. The Riverina Medical and Dental Aboriginal Corporation clinical services building opening took place on Friday, 18 May. I acknowledge the government's investment in these important Aboriginal facilities. We all need to help close the gap—today, tomorrow and into the future—not just for Aboriginal Australians but for all those whose home is girt by sea.

Mr NEUMANN (Blair) (16:55): I pay my respects to the traditional owners of the land upon which we meet and also to the Jagera, Ugarapul and Yuggera people of my electorate in South-East Queensland. I want to express my sympathy to Bonita, the wife of Eddie Mabo, his immediate family, extended family and friends.
In his famous Redfern speech on 10 December 1992, then Prime Minister Paul Keating described the Mabo judgment as one of the practical building blocks of change. He said it did away with what he described as the ‘bizarre conceit’ that this continent had no owners prior to European settlement. He went on to say that the Mabo judgment had established a fundamental truth which laid the basis for justice—and that justice is deserving of recognition today, 20 years later. We have so much more to do in closing the gap.

But the lie of terra nullius—that no-one actually occupied the land—was done away with by those brave judges on the High Court of Australia. It showed the High Court at its best and I pay tribute to Sir Anthony Mason and those in the majority who supported Eddie Mabo and his co-litigants. Those litigants had the courage and determination to bring a claim which did away with the falsehood and reveal the fact that our Indigenous brothers and sisters were occupiers of the land well before white settlement took place. Eddie Mabo was not alone. There were a number of people who went with him on that journey—people like David Passi, James Rice and others. I pay tribute to all of them for what they did.

Eddie Mabo was born on 29 June 1936 on Murray Island. He always believed Murray Island belonged to him and his family. He had a variety of different occupations—assistant teacher, deck hand, gardener and groundsman, for example—but he never really believed that he did not own the land and he refused to accept it. When he mentioned that to members of academia in Townsville, who later became his friends, and discovered the concept of terra nullius, that white people did not believe he owned the land, he was incredulous and his great passion was aroused. It took 10 years of litigation to get it to the High Court. As with other great figures of history who died before they saw the final outcome of their efforts—such as FDR, the great US President, and John Curtin in Australia, both of whom died before World War II was concluded—tragically, Eddie Mabo died five months before the High Court handed down the historic Mabo decision which expelled the notion of terra nullius from Australian law and paved the way for a new era of justice and native title legislation.

I pay tribute to Paul Keating and the then Labor government, who had the courage and conviction to prosecute the case for the Native Title Act, which came into being in 1993. It was developed in partnership with Indigenous communities. It was not imposed; it was done with consultation, collaboration and cooperation. The Native Title Act was not uncontroversial. There was a lot of fear, loathing and misinformation spread by those who would foster and create division in our community. Fortunately, however, the House of Representatives and the Senate passed this legislation. The economy was not destroyed, society did not break down and the world did not come to an end, but justice rained down like a river. A whole series of cases emerged as a result of the Mabo decision and native title legislation. I am pleased the government has seen fit to streamline the process, to bring down the reforms we saw in 2009, which gave the Federal Court greater control of native title mediation, and increase the number of consent orders or determinations from 11 in 2008-09 to 24 in 2010-11. I am pleased the federal Attorney-General, on the 20th anniversary of the Mabo decision on 31 May, pointed that out in her speech. There are few people whose lives have touched Australians and will continue to touch them as Eddie Mabo's did, fighting injustice, racism and inequality. His life deserves to be recognised. It was recognised in a telemovie and has been recognised in the history books and on ABC's Four Corners. On a daily basis, his judgment is quoted throughout the country. We pay tribute to him for his
courage, his conviction and his belief in the rightness of his case and the cause of justice. For that we pay tribute and we say farewell to a great figure of Australian history, a great Australian and a great man.

Mr ZAPPIA (Makin) (17:01): I rise to support the marking of the 20th anniversary of the passing of Eddie Mabo. There are moments in each of our lives which define who we are and what we stand for, moments which may even determine our destiny. The significance of those moments may sometimes not become clear until much later. The story of a nation is similarly marked by such moments where an event or even a speech may change the course of its people. When a moment in the life of an individual determines both the character and destiny of the individual and that of a nation, the moment is indeed profound. For Eddie Koiki Mabo that moment was his realisation in 1974 that his ancestral lands had been taken from him and were owned by the Crown. That moment changed his life and the spirit of a nation.

Eddie Mabo’s name has since been ingrained in Australian history. Joined by Sam Passi, David Passi, Celuia Mapo Salee and James Rice, Eddie Mabo began his crusade to have his lands returned to their rightful owners—the Meriam people. His determination gave inspiration to his people. Born in 1936, Eddie Mabo was a Meriam man from Murray Island, better known as Murray Island, in the Torres Strait. His mother died very early in his life and he was raised by his maternal Uncle Benny. At 19 years of age he was exiled from his homeland, not even allowed to return to see his dying father.

He settled in Townsville and soon established a reputation as an activist or, as others would describe him, an agitator. He attended protest marches and would sit in white-man-only bars waiting to be served. As the member for Barton reminded us in his Lionel Murphy Memorial Lecture delivered at the Australian National University on 7 September 2011, Lionel Murphy in a 1982 judgment had this to say about agitators:

If he is an agitator, he is in good company. Many of the great religious and political figures of history have been agitators and human progress owes much to the efforts of these and many who are unknown. Indeed Australia owes much to Eddie Mabo. He too was an agitator. His decade-long battle ended on 3 June 1992 when justice was restored. Sadly, Eddie Mabo did not live to hear the High Court verdict. He died five months earlier, in January 1992. His life, however, was recognised when he was granted an Australian Human Rights Medal and perhaps more so by the Australian newspaper in 1992 naming him Australian of the Year. His legacy, however, is not what he achieved for himself but what he achieved for his people and for Australia.

Both as individuals and as a nation our identity is determined by what we do. We are judged harshly for our wrongdoings and praised for what we do right. Since white settlement in Australia, the relationship between Indigenous and non-Indigenous Australians has been the cause of some of our greatest failures and national shame. Conversely, the relationship has delivered some of Australia's greatest moments—for example, the 1967 referendum, Gough Whitlam on 16 August 1975 pouring a handful of dirt into the hands of Vincent Lingiari symbolising the return of their lands, Cathy Freeman carrying the Australian flag around Sydney Olympic Stadium at the 2000 Olympics, Paul Keating's Redfern speech in December 1992, Kevin Rudd's apology to the stolen generation, and of course the High Court Mabo case. All left proud images imprinted in the hearts and minds of those who were there at the time or who in their own way shared in the moment. On each of these occasions the
international community looked on with praise and admiration. Indeed they were all moments of national pride.

In rejecting the notion of terra nullius in a six-one judgment, the High Court handed down a verdict which signalled three very important messages: firstly, that no person and no government is above natural justice; secondly, that our justice system is there for all; and, thirdly, that all people are equal in Australian law. The 1992 High Court decision was a personal victory for Eddie Mabo, a cultural victory for his people and a national victory for Australian identity. Not everyone, however, was pleased with Eddie Mabo's crusade. His grave site in Townsville was desecrated and he was reburied on Murray Island.

The High Court decision was not, however, a panacea for the complex problems facing Australia's Indigenous people. There is no better recognition of that than the government's Closing the Gap statement. The merits of the Northern Territory intervention policy continue to be disputed. What is not disputed, however, is that the underlying problems which led to the intervention must be addressed. As Eddie Mabo's wife, Bonita Neehow, recently said in an interview published in the Australian newspaper on 2 June 2012: 'The alcohol, drugs and sexual abuse problems poisoning indigenous communities are still there.'

In the Lionel Murphy Memorial Lecture that I referred to earlier, the member for Barton addressed the disadvantage that exists throughout Indigenous communities. As with the mainland Indigenous people, the permeation of white culture into the Torres Strait Islands over the past 200 years has forever changed the once peaceful existence they enjoyed. A new culture has set in and neither white nor Indigenous culture offers the solutions we are looking for. We need new approaches, we need to look outside of our normal thinking and we need people like Eddie Mabo.

I have spoken about Aboriginal and Indigenous disadvantage in this country on many other occasions and I will not go into it in detail other than to say this: it is a problem that has confronted governments of this nation now for at least 50 years. It is a problem where governments have been well intentioned in their efforts to address that disadvantage over the 50 years and I am aware of governments and ministers from both sides of politics who have worked in earnest to try and reduce that disadvantage. The statistics we see today, and again I understand there was some more commentary in the daily papers today, are still of concern to us all. The disadvantage that exists is still widespread and still a cause of embarrassment and national shame for the people of Australia. We do need to look for alternative solutions and we do need to recognise that until we find those solutions that disadvantage will continue.

I close by making reference briefly to the judges that were sitting in the High Court case at the time: Justice Mason, Brennan, Deane, Dawson, Toohey, Gaudron and McHugh. Justice Dawson was the dissenting judge. All of the others were in general agreement with the verdict. It should be noted that it is of credit to them that, after so many years, they too recognised the injustice that had been perpetrated on the Indigenous people of Australia by denying them their rightful entitlement to the land on which they lived. Vincent Lingiari, whom I referred to earlier, was perhaps one of the first Indigenous people to try and lay claim to the lands from which he came and that is why, as I said earlier, Gough Whitlam poured a handful of dirt into his hands. It was symbolic of the land that was returned to his people at the time.
But that was returned under different circumstances. It was not as profound as the Mabo decision, which in fact recognised the title that existed for the Indigenous people because they had previously lived off the land. For the judges who handed down the decision it would not have been an easy decision to have made at the time given that there was 200 years of history, and not only in this country. Perhaps it is even more extensive if you go to other Commonwealth nations. Yet they made this decision knowing full well what the consequences of it would be, and I commend them for the justice they handed down on the day. I commend Eddie Mabo and his colleagues for taking up the fight on behalf of their people.

Dr LEIGH (Fraser) (17:11): Imagine the moment in 1974 when, talking with his friends, Eddie Koiki Mabo realised his land was owned by the Crown, not by him and his people. Noel Loos and Henry Reynolds recall: 'Koiki was surprised and shocked.' He had kept saying, 'No way, it's not theirs. It's ours.' It would turn out to be one of the most significant moments in Australian history. From then to the historic High Court decision of 3 June 1992 Eddie Mabo showed us that a deeper appreciation of Indigenous Australia is the responsibility of all Australians and that the recognition of Indigenous history and culture and the challenges it faces is not an optional part of being Australian but is essential to who we are.

Eddie Mabo Day, 3 June, helps us identify, acknowledge and celebrate all Indigenous Australians and their contribution to our nation. It is a critical part in the process of reconciliation. But it is also a great moment to celebrate the life of a great Australian and to remember a man of extraordinary vision, warmth and intelligence. Eddie Mabo's story is one in which I think Australians can take great pride. I think it is also a reminder that Australia is at its strongest when we remember the stories of Indigenous Australians.

One of the books that have made an impression on me is Stories of the Ngunawal, a collection of stories of the local Ngunawal people. To me those stories reflect that so much of what Eddie Mabo was facing was also being faced here in the Canberra region. There had been suggestions in the middle of the 20th century that the last remnants of the Ngunawal people had gone. An article in the Canberra Times in 1985 said, according to the writers, it was felt the last remnants of the Aboriginal tribes of this area were gone by 1911 with the deaths of Ned and Lucy Carroll at the Edgerton mission station. The article went on to say that reports of the extinction of the Ngunawal people had been greatly exaggerated 'according to a very much alive survivor, Mr Tom Phillips of Kambah'. Tom Phillips was indeed a character. One story has him being arrested while walking naked in the Namadji area. Apparently he was called into a courtroom with a blanket wrapped around him. The judge said, 'What are you doing, walking around like that? You can't walk around like that in front of people.' Mr Phillips said to the judge: 'Mate, I'm an Aboriginal. I was born naked, and I'll walk around how I want. I'm not going to sit here and listen to a man sitting there with a dead carcass on his head telling me I can't do this and that. I'll walk around how I want.'

Another great survivor of the Ngunawal people is Auntie Agnes Shea. She is a familiar sight to those of us who attend conferences in Canberra because she is one of the most frequent of those to welcome attendees to country. Auntie Agnes tells the story about how as a young girl she did not learn the Ngunawal language. She says: 'The elders decided that, if we kept using it at home, we wouldn't do it intentionally but automatically we'd use it if we were off down the town or somewhere, and it would get us into trouble.' By that, she means
the risk of being taken away from her parents. Auntie Agnes says: 'So they forbade us to use our language, for our protection, and that's how we came to lose so much of the Ngunawal language. I was around seven or eight then.'

It is a great source of pride to me to be a federal member representing the land of the Ngunawal people, to be able to remember some of their stories and recognise the great strength of Indigenous Australia and that we are greater as a country thanks to that Indigenous heritage. This is, I think, broadly recognised by both sides of parliament, on this the 20th anniversary of the Mabo judgment, but it was not always thus. The Attorney-General, in a speech on 6 June, reminded her audience of some of the history of the Mabo case. She said:

Disenfranchised by the Bjelke-Petersen government, Eddie Mabo, David and Sam Passi, Celuia Salee and James Rice, all from the Meriam people, set themselves the seemingly improbable task of literally creating a space for indigenous rights to land and waters—where previously this had been said to be an impossibility.

She pointed out that the Bjelke-Petersen government dogmatically attempted to legislate away any prospect of native title, that Tim Fischer had said that native title was unnecessary as 'dispossession of Aboriginal civilisation was always going to happen' and that Hugh Morgan said that the High Court had thrown property law into chaos and 'given substance to the ambitions of Australian communists and the Bolshevik left for a separate Australian state'. She pointed out that Tim Fischer said, 'Mabo has the capacity to put a brake on Australian investment, break the economy and break up Australia—a brake, a break and a break-up we can do without,' and that John Hewson, after native title legislation passed the parliament in December 1993, described it as a 'day of shame'. John Hewson said:

The Coalition is totally opposed to this piece of legislation. It is bad legislation. It will prove to be a disaster for Australia. It goes way beyond the High Court. It introduces inequities into the Australian system. It consciously sets out to divide the Australian nation and there is only one thing you can do with bad legislation and that is to throw it out.

The reason I quote all these statements made two decades ago by a business leader and prominent members of the opposition is that they remind us of what the Minister for Climate Change and Energy Efficiency has called the divide in Australian politics between the reformers and the wreckers. It reminds us that almost every reform that is now held dear in Australia was not gotten through bipartisan agreement but was hard fought for at the time. Great reform never comes easy. It is often opposed at the moment at which it is fought for. But in so many cases Australia can now look back to great Labor reforms like native title with a sense of pride. I believe it will be so for the great Labor reforms like a price on carbon, a mining tax, the National Disability Insurance Scheme and the National Broadband Network.

Reconciliation works best in Australia when it is not just self-flagellatory reconciliation—although there were great wrongs done—but when it also operates with a sense of pride. The moment in the 2000 Olympics when Cathy Freeman won gold and the moment when she lit the Olympic flame were moments that did as much for the cause of reconciliation as perhaps all the honourable speeches of this kind. There was the moment when Gough Whitlam poured sand into the hand of Vincent Lingiari and Lingiari said to him, 'We're all mates now.' These sparks of positive reconciliation are a great source of pride for all Australians, and it is with a great sense of pride that I remember the 20th anniversary of the Mabo judgment.
Ms BRODTMANN (Canberra) (17:20): Sunday, 3 June marked the 20th anniversary of the Mabo native title High Court decision. As the Prime Minister stated some weeks ago, this was a sublime moment in the life of our nation. The Mabo decision, as it has affectionately become known, had a profound impact on Indigenous land rights, extinguishing the terra nullius myth that had been in existence for so many years. It is a case that has gone down in Australia's legal and cultural history as a turning point in our nation's story. When the High Court of Australia handed down its historic judgment, it accepted the claim of Eddie Mabo and other claimants that their people had occupied the island of Mer for hundreds of years before the arrival of the British. This was a landmark decision, finding that the Meriam people were entitled, as against the whole world, to possession, occupation, use and enjoyment of the lands in the Murray Islands. The decision overturned the idea that Australia was terra nullius—a land belonging to no-one—at the time of colonisation. It had profound implications for the Aboriginal and Torres Strait Islander land rights movement nationally.

It was wonderful earlier this month to see so many people celebrating the 20-year anniversary of the High Court's decision, and it gives me great joy that this landmark case will always have a special place in our nation's heart. This year the ACT Torres Strait Islanders Corporation, established in 1996, hosted the ACT celebration of Mabo, and they have been doing that for a number of years. The corporation organised a high-level event in partnership with the National Museum of Australia during National Reconciliation Week. The event, held at the National Film and Sound Archive, was attended by special guest speaker Gail Mabo, the eldest daughter of Eddie and Bonita Mabo.

I was disappointed not to be able to attend, as parliament was sitting at the time, but I believe the day was a wonderful success and the celebrations befitted this momentous day. Last year I did manage to attend the events, held here at Parliament House. Again it was a lovely day of celebration and, most importantly, of dance and culture. There were Thursday Islanders and Torres Strait Islanders from all over Australia, primarily from the Sydney community but also from the ACT community. They joined together in song and dance and also to reminisce about their stories. It was a wonderful event last year and it is a pity I had to miss it this year.

We should always continue to mark this day because the decision acknowledged and affirmed what Indigenous people have always known—that this land was not empty or vacant but was occupied by a proud and peaceful people who had lived on this land and as part of this land for many thousands of years. To really get a grasp of their place as Australia's first people, you only have to consider recent archaeological finds in Arnhem Land, where rock art has been carbon dated to around 28,000 years ago. This is one of the earliest examples of rock art in the world, and its significance should not be underestimated. When we consider the Mabo decision in this context, why would we not want to celebrate having one of the oldest cultures on this earth?

The Prime Minister at the time of the Mabo decision was Paul Keating, and he recognised Mabo for what it was—not a burden, not a problem, but an opportunity. He noted that Mabo was a historic decision, one which Australia could make into a turning point and the basis of a new relationship between Indigenous and non-Indigenous Australians. He said:
The message should be that there is nothing to fear or to lose in the recognition of historical truth, or the extension of social justice, or the deepening of Australian social democracy to include Indigenous Australians.

These words continue to be relevant today, 20 years on. Prime Minister Keating reminded us that the big things, the great things in Australian politics, never come easily, yet we should embrace them and accept them as part of our nation's continuing history.

To me the Mabo decision reinforces Australia's cultural diversity and our differences, which we should celebrate and not conceal. Several years ago, I had the opportunity to visit Thursday Island, in the Torres Strait, as part of a tour I was doing with Australian Defence Force Cadets. There is a naval cadet unit there and it is incredibly popular with the kids—and I am talking about the school-age cadets here—because it links into their culture. As we all know, this is a great fishing and great pearling culture. There is a huge and very strong connection with the sea. The beauty about this Navy Cadets facility was not only that they had linked into that culture and strong tradition but also that they were introducing the kids to the notion of discipline and the naval tradition. So they got the best of both worlds in many ways: the history and tradition of the Navy plus the history and tradition of their own people, the Thursday Islanders. The kids loved going to the Navy Cadets after school once a week. It was very strongly supported by the community, particularly the schoolteachers. We were up there to launch the new cadet facilities and it was a great event. From memory, it was a very hot event but it was a wonderful event.

What really underscored the diversity for me during that visit was that I had the opportunity to go to the graveyard. I love visiting graveyards and I was given a tour by one of the people who lived on Thursday Island. I am not sure whether many people are aware of this but I was told that, when they bury their dead, they bury them in the traditional way and then they wrap the headstone with plastic or ribbons or something to mark the fact that a person has only recently been buried. After 12 months, I understand that they open up the grave and open the coffin—all the families are there—and that is designed to set the soul free. They then close it up and the person is truly on the way to the next life.

It is a really strong tradition that I had never heard of or seen beforehand and it underscored the diversity of Australia's people. During that visit I went to Thursday Island and after that I went to Bamaga, where there is a completely different Indigenous community. I then went to Nhulunbuy, which also has a different Indigenous community. I was then up at the Coburg Peninsula for another event and, again, there was a completely different Indigenous community. So the diversity, tradition, cultural strength and richness of the Australian Aboriginal and Torres Strait Islander communities are extraordinary, and decisions like the Mabo case underscore and recognise that.

The 20th anniversary of Mabo celebrates one of our great and proud achievements as a nation. It righted a wrong and set our nation on a new course towards greater acceptance and reconciliation and, as I said, a greater understanding and appreciation of its diversity. I commend the anniversary.

Mr LAURIE FERGUSON (Werriwa) (17:28): It is timely that we today discuss this issue because tomorrow night at the State Library of New South Wales, the Mitchell Library, there will be a public lecture in the Metcalfe Auditorium about an Indigenous Australian who, way back in the 1920s, after a period in Italy and other parts of the European continent, went
to Britain alone in support of Indigenous rights in this country, and there has been a recent publication about that.

Of the sustained opposition to this change, Mick Gooda, the Aboriginal and Torres Strait Islander Social Justice Commissioner, commented:

It is a narrative that reveals a fundamental lack of understanding about the importance of land and country to our very soul. And it's a message that demonises those standing firm rather than acknowledging their need to do so.

His hope, he said:

… is that we all realise the role we can play in changing the narrative and that mutual respect must underline the story.

In 1993 the Native Title Act brought to Australia recognition of the nation's traditional owners in response to the High Court decision made on 3 June 1992 that Eddie Koiki Mabo's 10-year fight for recognition as custodian of the Meriam people's lands gave lie to the legal notion of terra nullius. Of course, we have seen dramatisations of his fight on our television sets over the last month or so, and there has been a plethora of recognition events.

To those familiar with the concept of recognition of traditional ownership of land, the actions of other countries belied notions that the nation would be taken over by heathens, that houses would be plundered and that the agriculture and resource industries would grind to a halt. That is certainly the rhetoric that accompanied the Mabo decision and the government action to put it into effect. It is worth noting that as early as the 1820s the United States of America had signed a formal agreement with Indian traditional owners, that in the 1840s the Waitangi Treaty was signed by over 500 Maori chiefs and the British crown and that in the 1870s the Canadian government and the First Nations of the Canadian prairies sought to establish agreements to ratify native rights and provide compensation to the First Nations. These actions, taken over 100 years previously, formed the genesis of legal recognition of the land rights and sea rights of Indigenous Australians.

In the 20 years since the Mabo judgment, we have seen the highs of 1992 and the lows of the Yorta Yorta's situation along the New South Wales-Victoria border. The decision on the latter ruled that 'traditional links had been washed away by the tides of history'. Since this time we have witnessed a changing landscape in the recognition of Indigenous people's rights and customs. The traditional connections between Indigenous people and the land, the sun, the sea and the sky are very difficult for many Australians to understand. However, we have progressed to coexistence from the rhetoric of the extinguishment of rights. Indeed, although financial and other compensation is small relative to their profits, the resource sector has in the main turned full circle and acknowledged rights in cooperation with stakeholders. The sector has been reaching agreements providing economic resources, employment and education benefits to those in need. Most importantly, the process now gives traditional owners a place at the table to decide the future of their lands. For too long historic claims that will help reconciliation in Australia have been litigated to death. This trench warfare has cost millions of dollars, which have been squandered on legal and consultancy fees. Actions designed by state governments and large corporations determined to drag out negotiations until the National Native Title Tribunal was forced to mediate were enhanced by the Howard government's 10-point Wik plan, which included forcing parties to negotiate, essentially with a gun at their head—take it or leave it.
Fortunately, these attitudes are changing. State governments recognise the need to ratify agreements to facilitate development and allow for much needed investment in infrastructure. Likewise, the decision to mediate via the High Court is welcome. The return to the Yorta Yorta case by the former Victorian Attorney-General Rob Hulls and the resolution of the outstanding issues surrounding the case symbolise the change of attitudes by the states and, slowly, the legal profession. The former managing director of CRA, which is now Rio Tinto, is quoted as saying:

'I think there was a point … when business started saying to government, 'Catch up! We're out here doing business … and your attitudes are actually inhibiting us from moving forward', …

In New South Wales alone, at the end of the last financial year, there were 26 registered claimant applications, and another three were registered this year. I will briefly touch on one of those claims as an indication of the long-term benefits of the claims in assisting the education on reconciliation of the broader Australian community. The recent registration of claim by the Gomeroi people, who are broadly situated between Singleton, Moree and Walgett, ensures their place at the table for negotiations with developers, governments and resource companies. The research compiled by the New South Wales native title service provider NTSCORP is deserving of a thesis in itself. This research included: the compilation of over 60,000 family trees, the largest known genealogy of Indigenous Australians ever undertaken; over 1,000 interviews; researching archived newspapers and school, farm and police records since 1830; the purchase of hundreds of birth, marriage and death certificates at $30 a pop from the state government; meetings conducted throughout the state; and negotiations with key stakeholders. This research, which was led by Dr Ken Lum and his team, was recently subject to analysis by Debra Jopson in the Sydney Morning Herald. It acknowledges that people who live over a radius of 100,000 square kilometres have a shared past, rituals, kinship and—importantly—identity. It also recognises that Aboriginal history and interactions in southern parts of Australia have the same gravity and meaning as those of their northern brothers and sisters. Early settlement, massacres and enforced separation from families killed neither their spirit nor their connection with the land from where they come. In passing, I commemorate the people who every year have remembrance events around the Appin Massacre in my electorate.

This claim by the Gomeroi people gives hope to those in other parts of New South Wales who are working towards recognition. It was recently announced by the Attorney-General that the federal government will provide increased funding and anthropological grants to research on native title claims. This is welcome news. We need to ensure that researchers are able to provide solid evidence of kinship, cultural activities and connections to the country. It is crucial not only for claiming land title but also for our country's own story.

Research measures include clarification that capital gains tax and income tax payments will not apply to native land title agreements and improvements to increase the flexibility of Indigenous land use. This will ensure that the work which Eddie Mabo started over a chat and a sandwich on a bench with Henry Reynolds will not have been in vain.

**BUSINESS**

**Rearrangement**

Mr CHEESEMAN (Corangamite) (17:35): by leave—I move:
That order of the day No. 1, committee in delegation business, be postponed until the next meeting. 
Question agreed to.

COMMITTEES
Corporations and Financial Services Committee
Report

Debate resumed on the motion:
That the House take note of the report.

Mr FLETCHER (Bradfield) (17:36): I am pleased to resume my remarks about the recent report of the Corporations and Financial Services Committee into the collapse of Trio Capital. When I was interrupted I was speaking on the topic of Mr Jack Flader and the other international masterminds who appear to have been involved in perpetrating this fraud on Australian investors. The committee in its report has called on the regulators—ASIC and APR—and the Australian Federal Police to urgently reopen an investigation into likely criminal activity in this matter. The committee has also urged ASIC to fund the liquidator of Trio to continue its factual investigation into where the money went, particularly the assets of the ARP growth fund. It seems beyond dispute that the money went offshore to the British Virgin Islands, but the final outcome is still, to the committee's great surprise, not known with certainty.

In my remarks I will focus in particular on the ARP growth fund, which was one of the funds operated by Trio Capital and one of the funds in which a significant number of my constituents lost large amounts of money. In fact, the tragedy of this affair is that a large number of Australians invested the entire balance of their self-managed superannuation fund into the ARP growth fund. The average balance was in the hundreds of thousands of dollars, and there are people who have lost more than that as a result of the fraudulent conduct of those responsible for the operation of Trio.

The history of this affair was canvassed in some detail in the committee's report. As late as 2008 an audit of the ARP growth fund as well as other managed investment schemes which were part of Trio's range of products continued to certify the accounts as giving a true and correct report of the financial position of the fund. The principal asset of the ARP growth fund was a derivative contract held by a company in the British Virgin Islands. It turns out that the auditor did not independently verify the existence of the company or the value of the contract. Indeed, a key factual question is whether the principal underlying asset of the ARP growth fund ever existed and had value. The Australian Prudential Regulatory Authority gave evidence to the committee that it believes that the contract did exist but that its value fell to zero as a result of the collapse of the US investment bank Bear Stearns in the global financial crisis in 2008. I am sceptical as to the validity of that explanation. The committee heard other evidence—which I personally found persuasive—that if the contract did exist then it would have retained value as a consequence of the fact that the liabilities of Bear Stearns were assumed by JP Morgan, another US investment bank. In its report, the committee indicates that it is not satisfied as a factual matter that the value of the contract did fall to zero or, at the very least, the committee is not satisfied that the conclusion drawn on this matter by the Australian Prudential Regulatory Authority is founded on reasonable investigation.
Madam Deputy Speaker O'Neil, as you would know, given your other capacity as chair of the corporations and financial services committee, just last Friday when the other relevant regulator, the Australian Securities and Investment Commission, appeared before the committee, we further canvassed the question of whether the underlying derivative contract purportedly held by the ARP Growth Fund or a company some steps down the chain of companies ever in fact existed. The Australian Securities and Investment Commission expressed its view that the contract did exist but that the value of the contract fell to zero.

Again, I want to place on record that I am not satisfied that that has been demonstrated and I am not satisfied that the liquidator has been able to reach a conclusion on that matter, and nor am I satisfied that the matter has been demonstrated to a degree which is persuasive to those of my constituents and others who lost money in the ARP Growth Fund. I note that this is one of the matters that the liquidator of Trio, PPB, intends to further investigate and reach a conclusion on, should it be the case that ASIC follows the recommendation of the committee and provides further funding to PPB to allow it to continue its factual investigation.

One of the grave difficulties that this case and this episode presents is the fact that Australians have been treated differently in relation to the loss of substantial amounts of money. Last year the Minister for Financial Services and Superannuation, Bill Shorten, announced $55 million of compensation to some of those who were defrauded in the Trio matter. The basis for that compensation is under a longstanding provision of the Superannuation Industry (Supervision) Act. Under part 23 of that act, it is open to the minister to determine that compensation is payable in the event of fraud or theft suffered by an APRA regulated superannuation fund. It is not contested that the law confines the availability of that remedy to APRA regulated superannuation funds. It is not contested that self-managed superannuation funds are not APRA regulated superannuation funds. That is clear on the face of the legislation. However, one of issues which the committee gave consideration to and made a recommendation about is the factual circumstances in which most of those who lost money in the ARP Growth Fund came to put their money into that fund. In the main, they came to put their money into that fund through moving their money out of a previous investment vehicle, the Professional Pensions Pooled Superannuation Trust.

The Professional Pensions Pooled Superannuation Trust was a vehicle controlled by a financial adviser named Mr Paul Gresham, who operated extensively on the north shore of Sydney, as well as in other areas. It is through his activities that many of my constituents lost money. Mr Gresham had his clients put their money into the Professional Pensions Pooled Superannuation Trust. For many years it operated perfectly satisfactorily, putting money into a range of legitimate and reputable investment vehicles. What happened some time between 2003 and 2005 is that Mr Gresham advised his clients to move their money out of the PPPST—the Professional Pensions Pooled Superannuation Trust—and into another vehicle, the ARP Growth Fund. We now know, including from the terms of an enforceable undertaking obtained from Mr Gresham by the Australian Securities Investment Commission, that Mr Gresham was a co-conspirator in the circumstances in which a collection of fraudsters took control of a pre-existing reputable funds management business and renamed it Trio. We now know that Mr Gresham was in on this from the start.

The relevance of this is that the Professional Pensions Pooled Superannuation Trust is a vehicle which is regulated by APRA. It is an APRA regulated superannuation fund, and
persons investing in a pooled superannuation trust, as a matter of law, can have the benefit of
the same remedy under part 23 of the act as has already been made available by the minister
to others who lost money in the case of Trio. Therefore, one of the recommendations in the
report is that the minister, his department and the relevant agencies give careful consideration
to the factual circumstances in which investors who were originally in the Professional
Pensions Pooled Superannuation Trust then moved their money into the ARP Growth Fund.
The government should give careful consideration to whether that factual circumstance is
itself an act of fraud or theft which caused those investors to lose their money. On the basis of
the material the committee was able to consider and on the basis of the facts which have been
agreed by Mr Gresham in the enforceable undertaking which he has given to ASIC, it appears
that there may be a good basis for reaching the view that the very act on the part of Mr
Gresham of inducing his clients to move their money from the Professional Pensions Pooled
Superannuation Trust into the ARP Growth Fund was itself an act of fraud or theft and an act
the victims of which were persons who had their money in an APRA regulated fund. That
matter was canvassed in a recommendation of the committee's report, and I would urge the
minister, his department and the relevant agencies—including APRA—to have careful regard
to.

In addition to recommendations which are directed to the extent possible at trying to deal
with the extraordinary loss suffered by many Australians in the Trio Capital affair, the
committee has also made a broader set of recommendations directed towards policy changes
to reduce the prospect of a similar fraud being perpetrated in the future. In particular, we have
recommended that consideration to be given to rules requiring managed investment schemes
to disclose the details of their underlying investments. In the case of Trio, what happened was
that people who were saving money for retirement through the vehicle of a superannuation
fund—either an APRA regulated fund or a self-managed super fund—had their money placed
into highly risky offshore investment vehicles. It is very hard to understand the basis on which
any financial adviser could recommend that the entirety of an individual's retirement savings
be invested in an offshore vehicle in a notorious jurisdiction such as the British Virgin Islands
when the underlying asset of that vehicle is a highly complex derivative contract. That
appears to be a highly risky strategy, and if the underlying details of the investment of a
managed investment scheme were required to be disclosed—for example, in the product
disclosure statement—it would make it somewhat more difficult for such an ill-advised
investment to occur. It would be no panacea, but it may be of some assistance.

The Trio collapse has been a sorry episode, and many Australians have suffered as a
result. There is more work to do to clean it up. I commend the committee's report to the
parliament.

BUSINESS
Rearrangement

Ms HALL (Shortland—Government Whip) (17:49): by leave—I move:
That order of the day No. 3, committee and delegation reports, be postponed until the next meeting.
Question agreed to.
Ms MARINO (Forrest—Opposition Whip) (17:49): I rise to speak on the first interim report of the Climate Change, Environment and the Arts Committee's inquiry into Australia's biodiversity in a changing climate. This is an update on the progress of the inquiry itself. We do have additional site inspections planned. I am a member of the committee and we are continuing to gather evidence. I want to focus briefly on one of the areas that is covered in this first interim report, and that is the committee's visit to Western Australia and particularly into the area of my electorate. Of course, most of us know that the south-west of Western Australia is one of Australia's 15 biodiversity hotspots. It is actually one of only two internationally recognised biodiversity hotspots. Margaret River forms the western extremity of the Gondwana Link—a landscape connectivity project creating wildlife corridors from the south-west forest to the Great Western Woodlands, 1,000 kilometres to the east.

The committee met with the South West Catchments Council, South Coast National Resource Management, the Cape to Cape Catchments Group and Greening Australia. The committee inspected Lake Cave just to have a look at the declining water levels in the cave itself. We saw some excellent examples of riparian rehabilitation along the Boodjidup Brook. Many of the issues the committee heard about during the meetings and site visits related to changing rainfall patterns and the serious issue—and this is an extensive issue in the south-west—of phytophthora dieback. The impact of changing rainfall patterns, reduced groundwater and tree decline are all associated with this very extensive disease in the south-west of WA.

We also focused in these case studies in biodiversity management on site visits to the Tasmanian midlands and Central Plateau. Several groups focused on the adaptation taking place and that is what we see in the evidence we took about changing rainfall patterns, fire regimes, threats from pests and diseases, cooperative biodiversity conservation approaches and the importance of research and citizens' science. In the New South Wales Snowy Mountains region we heard about feral horse management in the Australian Alps, and that had a great impact on me. There was a constant reference to feral pests and weeds—the real practical issues. The issue of feral pests and weeds is a very serious one. I read recently where weeds cost the Australian economy $4.6 billion per annum. Feral pests and weeds is not a minor issue; farmers spend $1.5 billion themselves to control about 1,000 agricultural weed species. There are another 2,300 weed species that are a problem for natural ecosystems.

The work that this committee will continue to do is a very important body of work on case studies in biodiversity management and Australia's biodiversity in a changing climate. I am looking forward to what will come ahead and working on concluding the committee's work and the recommendations for our final report. I commend this document, *Case studies on biodiversity conservation: Volume 1*, to the House and I commend not only the secretariat for the work it is doing but also the committee for its application in looking at this issue.
Ms HALL (Shortland—Government Whip) (17:54): I rise to support the report before us today, *Case studies on biodiversity conservation: volume 1.* I congratulate all those members of the committee who have made a contribution to the debate. On 2 June 2011, the House of Representatives Standing Committee on Climate Change, Environment and the Arts commenced an inquiry into biodiversity in a changing climate in relation to nationally important ecosystems. The committee's terms of reference highlight certain areas which I will not go over tonight. I congratulate the secretariat on the work that they have done and the programs that they put together for us. To date, my knowledge in this area has increased immeasurably.

I will not concentrate on the committee's visit to south-west Western Australia, as I was unable to attend those inspections and hearings. But, according to all the feedback I received from those members who did attend, what they learned there was of great importance and significance and has contributed to the overall understanding of the issues that the committee is looking at.

On 30 January this year the committee visited the Tasmanian midlands and the central plateau. The visit focused on sites where climate change is having an impact on terrestrial biodiversity. The committee visited three distinct sites and undertook inspections in rather challenging conditions. It was an extremely wet day, which made it difficult to see the sites in the way we probably would have had the weather not been quite so inclement. But we were provided with insight into the diversity of the Tasmanian landscape and the challenges both common and unique to each of the regions.

We looked at the revegetation of the midlands. The midlands is one of the 15 national biodiversity hot spots. This was quite evident from our visit, as were the impacts of climate change and the changes in rainfall. Tasmania has a Mediterranean climate, receiving most of its rain in winter, but there has been a decrease in rainfall which has had an impact on the climate in that area. It causes significant problems for the environment and for agriculture. It brought home to me both the importance of the climate and preserving biodiversity and the impacts on agriculture in the area. Every single sector of that community is affected by the changing climate.

We visited the Grassy Hut site and received briefings from Greening Australia and the Tasmanian Land Conservancy. We received very important information covering a range of issues such as revegetation, threats to the region and mitigation of threats. We visited the Central Plateau and saw the pencil pines. We saw how there had been changes in the subalpine area above 800 metres and what this has meant for those pines. We inspected some pencil pines near Pine Lake boardwalk and received briefings from the DPIPWE officers on the threats to that species.

One of the sights which impacted on me enormously was when we looked at the miena cider gums. We could see how these small- to medium-sized woodland trees of the Central Plateau were dying and their sensitivity to the effects of the drought. It was quite an important issue. We concentrated on the changes in rainfall patterns and we learned about and observed the dramatic decline in those cider gums. There were many other aspects of the environment, local ecological systems and biodiversity which have been affected by that decline. We learned about the fire regimes in alpine ecosystems and the threats from pests and diseases.
and how they change with a change in the climate—changes in rainfall and changes in temperature. On a number of occasions, we learned about invasive—

A division having been called in the House of Representatives—

Sitting suspended from 18:02 to 18:18

Ms HALL: Prior to the division I was talking about the impact of invasive species as a result of climate change. Our visit to Tasmania also highlighted the importance of the need for research into ways that we can ameliorate the threat of climate change. Our visit to Tasmania illustrated that climate change is a threat to biodiversity and it showed that we really need to take the issue seriously. The central plateau is one of the few alpine areas in Australia and our visit illustrated to us just how vulnerable alpine ecosystems are.

We followed our visit to Tasmania with a visit to the New South Wales Snowy Mountains region, and that was in February this year. We had the opportunity to meet with representatives of the Great Eastern Ranges Initiative and local partner organisations from Kosciuszko to the coast. We were able to see firsthand the unique biodiversity of Australia's alpine regions. It was very interesting to note that the area of ground covered with snow is covered for more than 60 days, but that is predicted to reduce to 38 or 50 days. The last couple of snow seasons have demonstrated that the snow is starting later and thawing earlier. This has an enormous impact on that environment.

One of the threatened species that was mentioned was the pygmy possum. Its habitat has been impacted by the change in climate and the fact that the period of snow is reducing. It is not only the animals that we can see, like the pygmy possum; there are also microscopic insects in the water and the impact that the early thawing of snow has on the survival of some of the insects. It is a whole-of-ecosystem impact. It really is reducing the biodiversity of that area. The rising snow line shows that climate change is having an enormous impact on that area. Climate change in the alpine area of the Snowy Mountains is also impacted on by invasive species. The previous speaker mentioned feral horses, but there are also foxes and they are moving further up the alpine, which is creating problems.

I would like to quickly touch on the Great Eastern Ranges Initiative. That is a wonderful initiative. It is a partnership initiative between the private sector and the national park. It looks at things in a new way. What we saw when we visited the Great Eastern Ranges Initiative was unique. It should be used as a model for other areas. There is a strong need for more research and a strong need for looking at ways of counteracting invasive species such as feral animals and environmental weeds. Community attitude can play a very important role in the development of this. The visit to the alpine area of the Snowy Mountains really highlighted the issues that are important in relation to biodiversity and climate change within the alpine environment.

The other area I would like to very quickly touch on is our visit to Sydney Olympic Park. It was quite exciting to see the number of young people at the park and what had been done there to preserve biodiversity. We saw the extensive ecological restoration and remediation program. There was public engagement at all levels. Once again, that is a model for what can happen when you have a commitment to actually improving biodiversity. It also shows how community engagement is very important. On the day we visited Sydney, we went to the Australian Botanical Gardens at Mount Annan. We were given a brief and visited the site.
The aspect of that visit that I found most exciting was the seed bank. We learnt about the activities of the seed bank and saw how important it is in preserving biodiversity. I think all members of the committee were very impressed by the research that is taking place at Mount Annan. We saw the Wollemi pine, which as we all know is a living fossil, and it provided an interesting case study that demonstrated the importance of revegetation and protecting areas to help species survive.

This is a very important inquiry being undertaken by the Standing Committee on Climate Change, Environment and the Arts, and I think that the information it brings to light will be critical to both this government and governments to come. I highly recommend the case study in biodiversity management to the House. I encourage members to read it and then to read the final report of the committee.

Mr ZAPPIA (Makin) (18:25): I rise to speak briefly on the statement I made to the House on behalf of the Standing Committee on Climate Change, Environment and the Arts in presenting the interim report of the inquiry into Australia’s biodiversity in a changing climate which we have been carrying out. I thank the member for Shortland for the comments she has just made; as a member of the committee she along with the other committee members has contributed to the committee's work, and there has been a good team effort in trying to get through the work before us.

I thank very much all of the people who made submissions to the committee. To date, we have received about 83 submissions, and they are all very good quality submissions. In fact, I have learnt a lot just from reading them. I think that the inquiry is very worthwhile given the number of very well researched and professional submissions we have received.

In the course of the inquiry, it became absolutely clear to me that Australia's marine and terrestrial biodiversity has already sustained considerable damage—some of it permanent—which has mostly been caused by human activity. It is also clear from the extensive evidence presented to the committee that climate change is adding to the damage and presenting additional risks. On current future climate forecasts, the damage is very likely to escalate.

Much of our flora and fauna is unique to Australia, but many of Australia's endemic plant and animal species have already been lost. Regardless of the causes of climate change, a changed climate will change the natural environment. The consequences of changes to our natural environment will be widespread, with impacts on agricultural production, human and animal health, and national economic drivers such as productivity and tourism. I will try to refer to each of those in the brief time that I have left to speak.

Agriculture relies on several factors, including water supply, soil nutrients, the timing of rainfall and temperature changes. Agriculture is also very much affected by natural environmental factors such as pollination, disease, pest plants, and animal and insect infestation, and all of those factors are in turn influenced and dependent on climate, weather and biodiversity. That is the crux of the matter: all of the things that affect agriculture are in turn impacted by biodiversity, and we sometimes take our biodiversity for granted. The reality is that it is fundamental to human life as well as to animal and insect life.

In essence, a healthy natural environment increases agricultural productivity; conversely, extreme weather events, low rainfall, restricted water supplies and pests and pesticides can add significantly to agricultural costs and lower productivity. In a similar way, physical and
mental health outcomes are also directly linked to a healthy environment. Poor food quality, the use of pesticides, disease, pollution, the general environment and extreme temperatures have all been directly linked to health outcomes.

Australia's natural environment is unique, with many places listed as internationally recognised environmental assets. Their environmental value also makes them major tourist destinations. Tourism is an important economic driver and in some regions underpins the local economy. Natural pristine environments have become international drawcards for Australia. From the science available to date, biodiversity changes can have catastrophic consequences for Australia's best-known iconic sites, including Kakadu and the Great Barrier Reef, although many other areas are equally at risk.

Debate interrupted.

PRIVATE MEMBERS' BUSINESS

Olympic Games Terrorist Attack

Debate resumed on motion by Mr Fletcher:

That this House:

(1) notes that:

(a) tragically, at the 1972 Munich Olympic Games, 11 members of the Israeli team were murdered in a terrorist attack;

(b) the impact of this event has been seared on world consciousness; and

(c) for 40 years, the families of those murdered have asked the International Olympic Committee to observe a minute of silence, in their memory, at each Olympic Games, and this request is being made with respect to the 2012 Olympic Games to be held in London; and

(2) calls on the International Olympic Committee to observe one minute’s silence at the 2012 Olympic Games in honour of the 11 Israeli athletes murdered by terrorists at the 1972 Munich Olympics.

Mr FLETCHER (Bradfield) (18:30): I am very pleased to speak to the motion which I have moved in support of the memory of the 11 members of the Israeli Olympic team who were murdered in a terrorist attack at the 1972 Munich Olympic Games. The motion calls upon the International Olympic Committee to honour the memory of those slain with one minute of silence at the 2012 London Olympic Games. The events of September 1972 have been seared into world consciousness. The Israeli Olympic team attended the Munich Olympics with a delegation of 30—16 athletes, two referees and 12 other delegates including coaches.

On 5 September 1972 at around 4 am, members of the Black September organisation, disguised as athletes, scaled a fence at the Olympic village and made their way into the apartments housing the Israeli athletes. The terrorists broke into the Israeli accommodation and rounded up sleeping Israeli athletes. Two managed to escape, two were killed and there were nine remaining hostages. The Black September organisation then demanded the release of 234 Palestinians and other nationalities jailed in Israel, together with two radicals in German jails. Israel immediately and steadfastly indicated that it would not negotiate. As negotiations continued during the day, the deadline kept being extended. Meanwhile, the games continued and it was not until some 12 hours after the raid that the games were suspended under mounting pressure.
The terrorists secured the supposed agreement of the authorities to safe passage them and their hostages to a third country. Unfortunately, in the process of this supposedly occurring, the German authorities chose to intervene and the result was a horrific and absolute disaster. There was a substantial loss of life. In fact, all of the hostages ultimately were killed even though heart-rendingly at one point the media were told that all the hostages had been saved. The sad truth was conveyed some hours later at 3:20 am on 6 September when an Indian journalist announced, 'They are all gone.'

It is important that this horrific event is not forgotten and that is the point of the motion before the House today. For some 40 years the families of those killed in Munich and the Jewish community around the world have been asking the International Olympic Committee to observe a minute of silence at Olympic Games in memory of those killed in Munich. To date this is not a request which the International Olympic Committee has seen fit to accede to. Accordingly, the point of this motion is for the Australian House of Representatives to add to the call for the International Olympic Committee to agree to a minute of silence at 2012 London Olympic Games.

One of those who has been leading the call has been Ankie Spitzer, the wife of a victim of the attack, Andre Spitzer. Ankie has spearheaded a petition and an internet campaign seeking a minute's silence. Let me quote from some of what she has had to say:

Silence is fitting tribute for athletes who lost their lives on the Olympic stage. Silence contains no statements, assumption or beliefs and requires no understanding of language to interpret. The Israeli government, I understand, has also added to the call for a minute's silence at London Olympics. In recent weeks a motion in similar terms has been passed by the Canadian parliament. So to date the International Olympic Committee has declined to facilitate such a memorial, either at past Olympics or at the upcoming London Olympics. The evident reason that the International Olympic Committee has taken this position is due to a concern that such a memorial might alienate certain participants in the Olympic Games. In my view this is not a question of creating division or of opening up old wounds; it is simply a matter of recognising the memory of those who lost their lives in the course of participating in an Olympic event. It is entirely appropriate that this should be acknowledged and recognised at an Olympic games and it is entirely appropriate that the International Olympic Committee should facilitate a gesture that allows the memory of the victims of this terrorist atrocity to be acknowledged and for there to be recognition of this event. Accordingly, I commend this motion to the House.

Mr DANBY (Melbourne Ports) (18:35): The second week of the 1972 Munich Olympics was meant to be a joyous week. Having just completed seven days of events, many athletes and spectators looked forward to the completion of this event and the celebration of the closing ceremony. The fifth of September 1972 would shatter the Olympic doctrine:

… to build a peaceful and better world … which requires mutual understanding in a spirit of friendship, solidarity and fair play …

On the night of 4 September 1972, Israeli athletes enjoyed a night out watching a performance of Fiddler on the Roof. That night the head of the delegation, Shmuel Lalkin, denied his 13-year-old son's request to stay at the athletes' apartment. His refusal saved his son's life. At 4.30 on the morning of 5 September, eight terrorists from Black September scaled the two-metre fence with the assistance of unsuspecting athletes and with duffel bags loaded with AKM rifles, Tokarev pistols and grenades attacked the Israeli athletes. What
followed would be the blackest day in Olympic history. A sporting event that was meant to embrace diversity and had been shaped over the years by kinship, kindness and solidarity was ripped apart with the brutal cold-blooded murder of—I want to remember them by name—Moshe Weinberg, wrestling coach; Yossef Romano, weightlifter; Ze'ev Freedman, weightlifter; David Berger, weight lifter; Yakov Springer, weightlifting judge; Eliezer Halfin, wrestler; Yossef Gutfreund, wrestling referee; Kehat Shorr, shooting coach; Mark Slavin, wrestler; Andre Spitzer, fencing coach; and Amitzur Shapira, track coach.

Australia as a sporting nation was shocked to its core when the Israeli athletes were murdered in 1972. I remember being outraged at the incompetence of the Olympic officials and the German police. Perhaps their reluctance to acknowledge the 40th anniversary of the massacre is not simply a desire to acquiesce to the organisation of Islamic states; perhaps they do not want to remember their own incompetence. My family is originally from Germany. On this 40th anniversary of this gratuitous violence the German press is reporting that Abu Daoud, the organiser of these murders, was assisted in scoping the Olympic sites in Munich by German neo-Nazis. The reliable German news publication Der Spiegel reported on 18 June that Wolfgang Abramowski and Willi Pohl, two neo-Nazis, assisted Black September with fake passports, weapons and transport, and officials in Germany knew about that collaboration. This cooperation says much about that dead-end of Palestinian nationalism which cannot embrace any compromise or, indeed, any future for their own people.

The 2012 London Olympics marks the 40th anniversary of this massacre. The request for a minute's silence at the London Olympics to remember those massacred at Munich is a simple gesture which would acknowledge the fallen athletes. This request has the support, amongst others, of the Canadian parliament, US congressmen, British politicians and, to their great credit, the members for Bradfield, Kooyong and Eden-Monaro and the Australian government and opposition, which are going to have this resolution voted on tomorrow. This event was the darkest hour in the history of the Olympics, and not to remember the 11 athletes who simply came to the games to represent their country and to compete on the world stage is a desecration of all that the Olympic stands for. These slain men were fathers, uncles, brothers, friends, team mates and athletes. They came in peace and went home in coffins, killed by terrorists. The families of the 11 murdered athletes have worked for 40 years to obtain recognition from the IOC but have been repeatedly turned down. These 11 men went to Munich to represent their country. They were happy, enthusiastic and well-liked guys who only wanted to compete at an event of nations. Their political views were not at the forefront of their minds when they trained, competed and qualified for the Olympics. This small gesture would reaffirm the Olympic values of honour, harmony and fraternity—the very values that the terrorists repudiated by their massacre. As Ankie Spitzer, the widow of Andre, said of the Israeli athletes murdered that day:

The 11 murdered athletes were members of the Olympic family; we feel they should be remembered within the framework of the Olympic Games.

The fight to get these athletes remembered will continue.

It is to our great credit in the Australian parliament that we were right behind them.

Members of this House, along with parliamentarians from all over the world, will continue to press the IOC to memorialise the fallen. Pheidippides, the great Ancient Greek hero who
ran 24 miles from Marathon to Athens, with his last breath upon arriving in Athens was able to pass on to the families of the fallen the message, 'We have won.' We have won simply by raising this in the Australian parliament and distinguishing Australia as a country which has a conscience, even if the rest of the international community, as represented by the IOC, does not.

Mr FRYDENBERG (Kooyong) (18:40): In 32 days time we celebrate the Games of the 30th Olympiad in London. Two weeks of intense competition and interstate rivalry is sure to provide a lifetime of memories and, in many cases, a lifetime of friendships. But, unless the International Olympic Committee has a change of heart, there is likely to be in London something significantly amiss.

Some 40 years ago, at the 20th Olympiad in Munich, West Germany, the world was shocked when 11 Israelis, six coaches and five athletes, were murdered by the Palestinian terrorist group Black September. But since that time the international Olympic movement has refused calls to devote one minute of silence before the start of every Olympics to remember the tragic events of 1972. This Olympics in London is the perfect opportunity to right the wrongs of the past. Indeed, the slogan for the 2012 Olympics is 'Inspire a Generation'. Now it is time to live up to these words. Plaques and memorials only go so far. What is now needed is a minute of silence.

This is what the motion before the chamber today, moved by my friend and colleague the member for Bradfield and seconded by me, is all about. We in the Australian parliament, in a bipartisan manner, Prime Minister and Leader of the Opposition alike, join with our parliamentary colleagues in the United States, the United Kingdom, Israel and Canada in calling upon the International Olympic Committee to at last pay a proper tribute to the innocent lives lost at the Munich games in 1972. To deny this commemoration is to deny the reality of what happened and the urgency of ensuring it never happens again.

The IOC needs to understand that the terrorists who carried out the attacks of 5 and 6 September 1972 took more than the lives of talented Israeli athletes and coaches, devoted fathers and husbands. They also took with them the innocence of the entire Olympic movement, a movement which from its origins at Athens in 1896 was known as a noble sporting competition devoted to the goal of 'citius, altius, fortius'—faster, higher, stronger. But thereafter it became the scene for a bloody act of political violence wreaked by those with no regard for the innocence of sport and the sanctity of international competition. Ironically it was in Germany too, at the Berlin Olympics of 1936, that an ascendant Hitler turned his back on the victorious American black athlete Jesse Owens, but the events of Munich were of a different scale and nature, with the loss of so many lives. This is what the IOC must understand and acknowledge in the appropriate way.

The Olympic Charter itself states emphatically in paragraph 1:

The goal of the Olympic Movement is to contribute to building a peaceful and better world by educating youth through sport practised in accordance with Olympism and its values.

Those values are clearly outlined as the rejection of discrimination and the preservation of human dignity. The act of terrorism was a direct repudiation of these values and of the Olympic Charter itself, thereby making it incumbent upon the IOC to step up and do more than it has been prepared to do to date.
It must be remembered there are precedents which have seen the Olympic movement acknowledge tragedies of the past. In 2010, at the Winter Olympics in Vancouver, there was a minute of silence following the earlier death of an athlete in training, and at the 2002 Salt Lake City Winter Olympics there was a special tribute to the victims of September 11. The question therefore has to be asked of the IOC: what is it that makes commemorating the events of 1972 so different? If indeed it is a fear of antagonising countries that are not friendly with Israel then this is even a greater reason for the IOC to take a stand. Sport must be above politics and divorced from political violence of any kind. A minute's silence at the London Olympics for the 11 Israelis and one German police officer killed at Munich will send a strong message to the world. Never again.

I commend all those individuals, including the member for Bradfield, the member for Melbourne Ports and the member for Eden-Monaro; the media outlets, including the Australian Jewish News; and national governments from around the globe who have worked tirelessly to ensure that the Olympic Movement does not forget the victims of Munich. My heart goes out to the families of those lost, particularly to Mrs Ilana Romano and Mrs Ankie Spitzer, whose husbands, weightlifter Yossef Romano and fencing master Andre Spitzer, were killed at Munich. Together, those two women have worked hard to promote this important cause.

I say to you all, on behalf of my many colleagues in this place: we feel your pain and we will do all we can to promote the memory of those who so deserve their one minute of silence.

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Defence) (18:45): I commend the previous speakers and, in particular, I commend the member for Bradfield for having initiated this motion about the 1972 Munich massacre. In doing so, the member for Bradfield has done a very fine thing and I am proud that we can unite in supporting this motion.

It is a sad day, as the member for Kooyong has mentioned, for the families of the 11 athletes and the German policeman killed by the Black September terrorists. It is as well to remember that some of those victims were survivors of the Holocaust—people like Yaakov Springer, the weightlifting judge, whose entire family was annihilated in the Holocaust but who himself managed to survive it. The Munich massacre was a double tragedy in that respect. The murdered athletes were there in support of the Olympic ideal we have heard referred to. There was one poignant incident exemplifying the attitude of these fine athletes at the games—Andre Spitzer approaching members of the Lebanese team, saying, 'I want to reach out to these people, exchange pleasantries as athletes and build a bond.' To him, that was what the Olympics were all about. That was the spirit in which these athletes entered into those Olympic Games.

The 1972 games mark a loss of innocence for the Olympics. After that, for many years, the Olympics were regularly used as a platform for politics and they were further perverted by the doping scandals that followed as well. Instead of being a place of coming together, a place of celebration of diversity and common humanity, the 1972 Olympics became a scene of carnage. The irony is that the Black September group which perpetrated this massacre were named after an event in Jordan in September 1970 in which Jordanian forces massacred large numbers of Palestinians—an event Israel had nothing to do with.
The complicity of other nations in the Munich massacre should be recalled as well. The terrorists trained in Libya—and how appropriate it was that Colonel Gaddafi finally met the same end he had effectively meted out to so many others through his support for terrorist groups over the years. The terrorists were facilitated in their penetration of Europe by the Bulgarian intelligence service, who became the outsourcing mechanism for the KGB in supporting international terrorism. They were also facilitated in their reconnaissance of the village by the athletes on the East German team. For many years, these were the mechanisms of the KGB at work.

The incompetence of the German authorities has been commented upon. At that time—and what took place was shameful—they rejected an offer from the Israeli authorities to provide a rescue team and they demonstrated a cavalier approach to the operation. In doing so, they failed their own personnel, many of whom were injured—and one was killed—on the night. The athletes could well have been saved by a more effective approach to that operation. The incompetence of the Germans extended to allowing their first attempts at an approach to be filmed by the television channels; to allowing the roads to be blocked, preventing the armoured vehicles from getting there; to positioning their snipers badly; to not being properly equipped; and, ultimately, to the personnel positioned on the aircraft, the one the terrorists and the hostages were moving towards, taking a vote on abandoning the mission because they felt they were too much at risk and walking off the plane a couple of seconds before the terrorists were to enter that aircraft—thus triggering what occurred. As mentioned by the member for Melbourne Ports, that was followed by revelations about the neo-Nazi connection and, after that, by the German government orchestrating a Lufthansa hijacking so that they could hand over the remaining three terrorists with plausible deniability cover. That was a shameful episode—the Germans trying to avoid future terrorist attacks through this mechanism.

This did give rise to the formation of the GSG 9 and many other counterterrorist units around the world, including ours in 1978 through the assigning of a counterterrorism mission to the SAS. In addition, the Munich experience drove me to try and achieve the reforms we needed for our own counterterrorism response in the lead-up to the Sydney Olympics of 2000. I am proud to say that the Labor and coalition members of parliament at that time collaborated to produce that result, a result that was opposed at the time by the Greens, saying that Australia would never be a terrorist target and that we would never have to worry about terrorism. So I am proud of the work that we did together and the bipartisan approach to achieve that reform. It also goes to show, of course, that nations must be prepared and ready to face these threats at any time.

We must have a minute's silence in London to remind the world of the loss of these fine Israeli athletes and to inspire our rededication to the implacable fight against terror, the attainment of peace in the Middle East and our pursuit of the Olympic ideal.

Debate adjourned.

**Domestic Violence**

Debate resumed on motion by Ms Rishworth:

That this House:

(1) notes that two thirds of Australian women who have experienced domestic violence with their current partner are in paid employment;

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FEDERATION CHAMBER
(2) recognises the:
   (a) significant impact that domestic violence can have on the employment of women who are subjected to it, including:
      (i) lost productivity as a result of anxiety and distraction in the workplace;
      (ii) absenteeism due to sustaining physical and psychological injuries;
      (iii) disrupted work histories as victims often frequently change jobs;
      (iv) lower personal incomes and reduced hours of work; and
      (v) risks to personal safety in the workplace as well as to co-workers; and
   (b) positive impact of the inclusion of domestic violence clauses in contracts of employment to ensure protections for victims, including:
      (i) additional paid leave to enable employees subjected to domestic violence to, for example, attend court hearings and medical appointments without exhausting other forms of personal leave;
      (ii) access to flexible working arrangements where possible; and
      (iii) assurance that employee details will be treated confidentially and disclosure will not lead to discriminatory treatment;
(3) acknowledges the introduction of domestic violence clauses for public sector employees in both Queensland and NSW, and congratulates organisations in the private sector that have also moved to incorporate these clauses in contracts of employment; and
(4) urges all private companies and public sectors to include domestic violence clauses in their enterprise agreements to provide victims with important protections such as access to leave in addition to existing entitlements.

Ms RISHWORTH (Kingston) (18:50): I am very pleased today to rise to move this important motion, which recognises that two-thirds of Australian women who have experienced domestic violence with their current partner are currently in paid employment.

There are many definitions of domestic violence, but commonly included is persistent intimidation, control and physical, emotional, sexual and financial abuse, most commonly perpetrated by male intimate partners against women. It is estimated that without appropriate action to address domestic violence against women and their children, three-quarters of a million Australian women will experience and report violence in the period to 2021-22, costing the Australian economy an estimated $15.6 billion.

The prevalence of domestic violence is concerning. Certainly, I am very pleased that the federal Labor government is taking action to address this issue through the National Plan to Reduce Violence against Women and their Children 2010-2022. It is important that we also recognise the specific impact of domestic violence on Australian women as workers. Data collected by the National Domestic Violence and Workplace Survey published in 2011 confirms that the impact of domestic violence is a significant issue in Australian workplaces.

I have to make the comment at this point that I had not been fully aware of this until the member for Page brought this to my attention. I would like to commend the member for Page; she does not have the opportunity to speak on this motion tonight, but she actually raised this issue and put me in touch with a number of people who feel very passionately about it. I am very pleased that I have now brought this motion to the House for further consideration.

The motion recognises the significant impact that domestic violence can have on the employment of women who are subject to domestic violence. The findings of the National
Domestic Violence and Workplace Survey, as well as a number of other studies conducted around the world, show the negative impact of domestic violence on employment of victims. Research suggests that perpetrators of domestic violence implement job interference tactics both in the workplace and at home which can result in reduced work performance. Some of the behaviours victims have reported as negatively impacting their ability to perform their job effectively include physical restraint so that they are unable to attend work, beatings so severe that they are physically unable or too ashamed to attend work, hiding car keys or destroying clothes to prevent victims from attending work, inflicting sleep deprivation or emotional distress so that the person is too fatigued to function while at work, harassment via the phone or email while the person is trying to work and even stalking the person at work.

I have to say I also experienced this by seeing it at one workplace that I used to represent when I worked in the Shop, Distributive and Allied Employees Association. There was a worker in Myer, where I represented the women, who was subject to domestic violence threats at the workplace. Indeed, unfortunately—and it was a very tragic experience—her partner came in and actually shot her while at work. The impact that had was, obviously, that loss of life; but I went to her funeral and I was moved by the impact it had. It was just an awful situation that we cannot underestimate: the impact that it has on, obviously, the person and, indeed, all their co-workers.

If these sorts of insidious behaviours do occur, the victim often finds it difficult to make it to work. There is lost productivity, where the victim can become distracted as a result of the anxiety and fear that domestic violence does cause, and there is absenteeism, where victims may be unable to attend work while recovering from physical and psychological injuries because they are so fearful for the safety of themselves or their co-workers. Indeed, the most horrid outcomes can occur. Many respondents who reported having experienced these kinds of behaviours in the National Domestic Violence and the Workplace Survey attested to the considerable work performance impact of verbal, physical, emotional and psychological violence in terms of the ability to attend work and the ability to perform well while at work. The risk to personal safety in the workplace and to the safety of co-workers is an important aspect of the impact of domestic violence on women's employment. As I mentioned, Australian homicide data indicates that intimate partners or ex-partners accounted for 55 per cent of homicides of women in Australia in 2007-08. This is a significant issue.

Research suggests that women subject to domestic violence experience high levels of resignation and termination such that they are rarely able to sustain jobs on a long-term basis. They often have disrupted work histories, having had to frequently change jobs either because they are coerced by their partners to resign or because they have unexplained absenteeism and reduced productivity that have led to termination. In addition, women subject to domestic violence are disproportionately represented in lower-paying jobs and part-time employment when compared to women with no experience of domestic violence. The costs to businesses across the country in terms of lost productivity, misuse of resources and staff turnover as a result of domestic violence are calculated to be hundreds of millions of dollars. We also know that employment and financial independence are so important and are part of a key pathway for women to escape violent relationships, yet too often as a result of domestic violence women lose this pathway through termination.
This motion recognises the positive impact of the inclusion of domestic violence leave clauses in contracts of employment to ensure protections for victims including additional paid leave, access to flexible working arrangements where possible and assurances that the employee's details will be treated confidentially and disclosure will not lead to discriminatory treatment. The vast majority of respondents in the National Domestic Violence and the Workplace Survey believed that workplace entitlements could help to reduce the impact of violence in the workplace.

The most important part of including a clause in a contract of employment is that it would send a very clear message to the women employed in an organisation that if they were suffering from domestic violence the organisation would support them. Based on experience, a lot of women suffering from domestic violence would not choose to take domestic violence leave. They would probably exhaust their annual leave and other leave entitlements before they would move to domestic violence leave. But in a case where it was needed, I think it sends a very strong message that if these clauses are included those women who have experienced domestic violence can have time off in a crisis. For example, they would be able to recover from injuries, attend court when necessary, make statements to the police, reorganise bank accounts and schooling arrangements for dependent children and access counselling.

The motion acknowledges the introduction of domestic violence clauses for public sector employees in Queensland and New South Wales, and congratulates those organisations in the private sector which have moved to incorporate these clauses in contracts of employment. It is important to recognise the incorporation of domestic violence clauses in the Crown Employees (Public Service Conditions of Employment) Award in New South Wales and the Queensland government's special leave directive. There is also a range of different organisations across the country that have moved to introduce domestic violence leave clauses, including the People's Choice Credit Union in my own state of South Australia which gets a top rating for the particular clause when rated against the key principles endorsed at the Australian Council of Trade Unions congress in 2012.

Research indicates a strong positive arrangement between flexible workplace support and employee outcomes in situations involving domestic violence. The introduction of domestic violence clauses is critical to ensuring that women employees who have experienced domestic violence are appropriately protected and able to continue their employment in the long term. The motion states—and I think this is really important—that we urge private companies and public sectors alike to look at domestic violence leave clauses in their enterprise agreements. The issue might be about cost, but I do think this is an important signal to employees that they are supported and that they are able to bring up issues of domestic violence.

Of the respondents involved in the National Domestic Violence and Workplace Survey, 100 per cent agreed that domestic violence impacts the lives of employees, and we know that seeking work or training outside the home can actually exacerbate domestic violence. Some of the unacceptable behaviours I have discussed have significant consequences for the ability of women employees to meet their work requirements and roles and I do think it is important that we continue to raise this awareness. We have often talked about domestic violence; I commend the motion to the House.
Mr WYATT (Hasluck) (19:00): I rise to speak on the motion moved by the member for Kingston and to support the tenor of her argument in respect of the provision of support for those who experience domestic violence. In particular, elements of this private member’s motion go to some industrial matters and I am not going to debase the need for any workplace to have consideration for the needs of victims. I note that two-thirds of Australian women who have experienced domestic violence with their current partner are in paid employment. The member for Kingston provided further points that will impact directly on the employer and that have implications for workplaces in respect of an increased burden of pressure; therefore, I would argue that the propositions within the motion should be considered in the context of the many factors that prevail within the workplace environment.

Firstly, we always have to consider that domestic violence is not just physical violence. It can also be emotional abuse, which is often used as a tool to control an individual, with deadly consequences that are not physical in the way that is seen if the violence is physical. There is also economic abuse by depriving somebody in a relationship of access to the funding that is normally there for the household; controlling what they are able to buy and use their money for is another extreme of abuse. There is social abuse, which is the putting down of an individual regularly and making them feel worthless or denigrating them in front of others, which is equally as damaging. Then there is the spiritual abuse, depriving someone of the ability to fulfil their belief in their faith and their practices.

I personally abhor those who use these approaches to control another person in that manner. It is not something that we expect to see in relationships, yet so often as a classroom teacher and through my life experiences I saw people subjected to that range of abuse. I want to quote a couple of researchers who have done some significant work on this issue which goes to some very relevant things that we need to think about. Jane Mulroney, a senior research officer, provided information in a paper on the Australian Domestic and Family Violence Clearinghouse website under the heading, ’Australian Statistics on Domestic Violence’. I want to cite both pieces of work exactly so that I do not paraphrase the important points they make. I cite Jane Mulroney accordingly:

The first national data on incidence and prevalence of domestic violence using a representative sample of 6300 Australian women was provided by the Women’s Safety Australia study (Australian Bureau of Statistics [ABS] 1996).

The ABS study measured the incidence of physical and sexual violence against women (18 years and over) during the 12 months prior to the survey and over their lifetime (since the age of 15). For the purposes of this survey, violence was defined as any incident involving the occurrence, attempt or threat of either physical or sexual assault (ABS 1996, p. 2). Such incidents were defined as actions considered to be offences under criminal statutes in each state or territory. Accordingly the data does not reflect the entire picture of women’s experiences of domestic and family violence as it does not record other forms of abuse—

which I commented on earlier—

(emotional, social, financial etc.) that occur in tandem with acts of violence.

These findings support the information provided by the member for Kingston. The paper continues:

Key results from the study indicate:
23% of women who had ever been married or in a de-facto relationship, experienced violence by a partner at some time during the relationship (ABS 1996, p. 50).

42% of women who had been in a previous relationship reported violence by a previous partner (ABS 1996, p. 51).

Half of women experiencing violence by their current partner experienced more than one incident of violence (ABS 1996, p. 54).

Injuries sustained in the last incident were mainly bruises, cuts, and scratches, but also included stab or gun shot wounds, and other injuries (ABS 1996, p. 55).

12% of women who reported violence by their current partner at some stage during the relationship, said they were currently living in fear (ABS 1996, p. 51).

Women who experienced physical or sexual violence by a partner were significantly more likely to experience emotional abuse (manipulation, isolation or intimidation) than those who had not experienced violence (ABS 1996, p. 51).

35% of women who experienced violence from their partner during periods of separation (ABS 1996, p. 57)—which is still a significant number—

Younger women were more at risk than older women, with 7.3% of women aged 18-24 years having experienced one or more incidents of violence from a current partner in the previous 12 month period …

When we look at those figures we can see they are substantial in terms of the impact on the workplace. That would mean that the consideration, flexibility and compassion that need to be shown are not small in their detail or number.

The Australian Institute of Criminology, in analysing homicides in Australia between 1989 and 1999, found that 20.8 per cent of all homicides involved intimate partners. This represents approximately six homicide incidents a year within Australia. The study then raises the relationships in various manners and the patterns that have emerged. Indigenous women are far more likely to be killed by their partner than non-Indigenous women. Just under half of all Indigenous homicides occur as a result of domestic altercation. Filipino women living in Australia are almost six times over-represented as victims of homicide compared to other women. A pattern is emerging of the extent of the problem. In one sense the workplace support that needs to be provided for those who rely on their job for economic independence and for the provision of family becomes quite a challenge. I would rather see us go upstream.

Let me also say that one in three victims of domestic violence is male. The Australian Bureau of Statistics’ personal safety survey in 2006, the largest of all surveys and the most recent in terms of violence in Australia, found that 29.8 per cent of victims of current partner violence since the age of 15 were male and that 24.4 per cent, or almost one in four, were victims of a previous partner and violence since the age of 15. Two other figures that I found disturbing, if true, are that 29.4 per cent of victims of sexual assault, or almost one in three, during the last 12 months were male.

Domestic violence and abuse, of all the natures of abuse, are quite significant when you consider the context of the motion moved by the member for Kingston. One of the challenges for us is to encourage workplaces to be cognisant of some of the challenges that individuals face within their workplace. I have often found that, where an employer or a workplace is
supportive, productivity and loyalty factors become much stronger when there a degree of empathy, understanding, leniency and flexibility are accorded those who are victims.

I think we have much work to do, but I do not believe that to incorporate it into an industrial award or into a clause within an industrial context will solve the problem. It will certainly require employers to be much more compassionate. Often, when we deal with complex issues like this, it is better to have somebody who walks with you and who is much more considered in the way in which they deal with employees who experience this. Often many of those who are victims of violence tend not to share that information within the workplace. When it is shared, then it also has a devastating effect. If we gave some weighting to reducing bullying by those who are cowardly in their behaviour and whose behaviour causes immense emotional and psychological damage to individuals, I think it would be a far better way to reduce the levels of domestic violence within our society. At the same time, I would strongly encourage employers to think about how they can give employees who experience this form of violence and abuse some latitude in the workplace. As I said earlier, employers who do that are often rewarded with a high degree of lasting loyalty from the employee, because, when someone helps you, you often reciprocate and give them back much more than they gave you.

I thank the member for Kingston for this private member's motion. I would support it in the context of doing more for the victims of domestic violence.

Ms HALL (Shortland—Government Whip) (19:10): I too thank the member for Kingston for bringing this important motion to the parliament. As stated in the member's motion, two-thirds of Australian women who have experienced domestic violence from their current partner are in paid employment. Anyone who has worked with or had any dealings with somebody who is a victim of domestic violence knows how much it impacts on that person's life. Quite often, there are many competing issues—including housing, security and care for any children involved—which confront a victim of domestic violence and which they have to resolve.

In trying to improve the situation for women in the workplace—as the previous speaker, the member for Hasluck, pointed out, there are men who are victims of domestic violence; but, generally speaking, women are the main victims of domestic abuse—a plethora of legislation has gone through this parliament. I see this motion as the next step along the way.

When I was looking at this issue, I became aware of the Australian Domestic and Family Violence Clearinghouse. They made a submission to the committee inquiry into the Fair Work Amendment (Better Work/Life Balance) Bill 2012 and reported the key findings of a survey on domestic violence and the workplace that they conducted in 2011. They said:

Nearly a third of respondents … had personally experienced domestic violence.

Nearly half those who had experienced domestic violence reported that the violence affected their capacity to get to work; the major reason was physical injury or restraint …

Nearly one in five … who experienced domestic violence in the previous 12 months reported that the violence continued at the workplace.

The major form the domestic violence took in the workplace was abusive phone calls and emails—and, I am sure, SMSs as well. These are the types of harassment which some of us have seen in the workplace as extensions of domestic violence. The key findings continued:
45% of respondents with recent experience of domestic violence discussed the violence with someone at work, primarily co-workers or friends …

Of those who had discussed the domestic violence with someone at work, almost half … had disclosed the violence to their manager/supervisor …

For those who did not discuss the problem at work, the major reason given was ‘privacy’ …

All respondents thought that domestic violence can impact on the work lives of employees … and a high percentage … believed that workplace entitlements could reduce the impact of domestic violence …

This is new ground in the area of discrimination. We need to better protect workers who experience or have experienced domestic violence. I believe that by putting in place proper protection for workers who have experienced domestic violence we will be ensuring that those people can not only move on in their life but maintain their employment, which is really important for them.

If the Commonwealth embraces this legislation, it will not be the first legislation in this country. When Jodi McKay was the minister, the New South Wales government introduced legislation in that state, and it has also been introduced in Queensland.

I commend the work of the ACTU congress to the House. I also commend the work of the Australian Domestic and Family Violence Clearinghouse at the University of New South Wales and, in conjunction, with them the PSA. I think it is now time to recognise the impact that domestic violence has on women and other workers and to ensure that there is legislation and protection to look after their needs.

**Dr STONE** (Murray) (19:16): This is an important motion that identifies the problem of domestic violence as it affects, mostly, women in the workplace, and the member for Kingston is right to bring the matter before parliament. Of course, as members of the coalition, we can only agree that domestic violence is a scourge in our society, as it is in any country. In Australia this problem does not seem to be diminishing from one generation to the next, and we know that for Aboriginal women, particularly, life can be hell as they experience domestic violence at a level that is almost unprecedented in the developed world.

Two-thirds of women who suffer the trauma of domestic violence with their current partner are also trying to hold down a job. Financial independence is crucial for women trying to break away from a domestic violence situation but unfortunately too many find it almost impossible to retain their employment if they are experiencing domestic violence. For example, the victims may have to change jobs or move from permanent, full-time to part-time employment because of the experience of violence at home or the invasion of their workplace by their violent partner. Sometimes it is a deliberate attempt on the man's part to ensure that his partner cannot have the protection of the workplace or be independent financially. The violent partner may deliberately try to humiliate the woman at work or intimidate fellow workers. As a consequence of domestic violence, women may have to take more days off and their productivity suffers. They do not tend to be the employee of choice when they come to work bruised, injured in some way and psychologically cowed.

We know that, in 2005, over 1.2 million women across Australia experienced domestic violence at some time during their lifetime. Elizabeth Broderick, Sex Discrimination Commissioner and Commissioner responsible for Age Discrimination, has found that at least
weekly an Australian woman is killed by her ex- or current partner, often after many years of vicious abuse.

In Victoria statistics show that domestic violence is a leading cause of death, disability and illness in women aged between 15 and 44. The tragedy is that children witnessing that abuse, usually in the home, are also damaged psychologically if not physically. Children who are repeatedly subject to or witness family violence may internalise the belief that the only way to vent frustration or feelings of inadequacy is by lashing out and physically assaulting or verbally abusing your partner.

In 2007-08, most of the 260 homicides in Australia were domestic homicides involving the death of a family member, and most of the victims were women. For every death there are many more children terribly damaged by that violence. Quite obviously, it is a national problem that we need to be addressing more successfully and comprehensively.

In the Parent Safety Survey Australia 2005—this was cited in 2010-11 so it is the most recent data—615 of the women who said they had experienced domestic violence also said that they had children in their care at the time, and 59 per cent of those women who had experienced violence by a previous or current partner since the age of 15 were pregnant at some time during the violent relationship. Some women felt that perhaps it was the pregnancy that triggered the violence, or escalated it. Too often domestic violence is considered a private matter and not one to be discussed by workplace colleagues or management even if there are suspicions that a worker is being abused at home. Some businesses are now taking a stand, however, in order to better protect the abused worker from job loss itself or from having a situation in the workplace where they are forced to take fewer hours of work or more flexible arrangements which will mean less pay for the woman and then, again, less financial independence. In Brisbane there is an organisation called CEO Challenge that is taking the message of domestic violence into the workplace, and this is a good thing. This is very important.

I am concerned, though, about a risk management option called Bsafe. It was started by the Victoria Police in Benalla. It was a family violence prevention network. This found that you could very definitely make women safer by giving them a monitor that they could activate should the partner who was abusing them come into the precinct, trying to contravene an order. We asked for that program to be continued to be funded by the federal government. Sadly, the federal government refused. Bsafe is now, fortunately, picked up by the Victorian Women's Trust and personal donations. But for a long time it looked like the 100 or so women being protected by that system were to be left high and dry. We have to be more serious about domestic violence, particularly in the workplace.

Mr NEUMANN (Blair) (19:21): I commend the member for Kingston for raising this issue. Too often domestic violence is considered a personal, domestic or familial issue when in fact it is at times in the workplace, where it is most often referred to as an HR issue, a health care issue or an administrative concern. I would suggest that is an economic, a productivity and a performance matter as well.

I commend Australia's CEO Challenge and those involved. I noticed recently that a bit of correspondence I received as a White Ribbon Ambassador was actually a letter from CEO Challenge. I noticed that my good friend and former family law colleague Stephen Page is the
deputy chair of that particular organisation. They do a lot to raise awareness, in Queensland particularly, in relation to this issue.

I also note that in Queensland, my home state, there is a conference on from 7 to 9 August titled 'Violence Against Women: an Inconvenient Reality'. FaHCSIA has $20,000 worth of assistance, as I understand, in relation to that. The website is www.violenceagainstwomenqld.com.au, and I recommend people look at that.

This government has the first ever National Plan to Reduce Violence Against Women and Their Children. Sadly, as other speakers have noted, one in three Australian women have experienced physical violence since the age of 15 and almost one in five have experienced sexual violence. It really is time to change all that. I mention that conference because a friend of mine and someone I know quite well, Gabrielle Borggaard, the manager of the Ipswich Women's Centre Against Domestic Violence, mentioned that to me and asked me to raise it in parliament. I also thank that organisation for their wonderful work they do in the Ipswich and West Moreton region. I congratulate them for the $370,000 they recently received to help up to 3,000 local teenagers. They are doing a lot of good work at the Love Bites program, particularly in high schools, trying to get to this issue at its core when the children are young men and women, at Bremer State High School, Ipswich State High School and Toogoolawah State High School. I congratulate them for the work they do. It is marvellous. It is really worthy. I know how committed these women are to reducing the scourge of domestic violence.

The funding they have received is part of the $86 million that we have committed in the National Plan to Reduce Violence Against Women and Their Children 2010-2022. Sadly, in 2006 a national survey by the Australian Bureau of Statistics said that 15 per cent of Australian women had experienced violence by a previous partner and 2.1 per cent by a current partner. One of the statistics that really came out to me when I and the member for Murray were involved in the Doing time: time for doing report was that Indigenous women are 35 times more likely to be hospitalised by partner abuse than non-Indigenous women. This is a national tragedy, a national disgrace and a national shame, and we must do more about that. The impacts of domestic violence stop women going to work. It makes them more likely to be absent from work. It makes them more likely to have conflict with other people. It makes them more likely to be unproductive and to shift from job to job as they have to shift from residence to residence. They have to take time off for court appearances and the like. They have to look after their children because they are the only person at home.

Domestic violence takes many courses, and I am pleased this government has made the definition of domestic violence in the Family Law Act more contemporary. Sadly, after practising for 20 years in the jurisdiction of family law, the Family Law Act with its emphasis on physical and sexual acts in relation to the issue of domestic violence was not as contemporary as the state legislation. For example, the state legislation in Queensland talked about harassment or the likelihood of causing harassment but domestic violence takes many forms: physical abuse; threats and damage to property; forcing someone out of a car; abusing people; familial isolation; humiliation; stalking; depriving someone of contact with their children; abusing someone in front of children; and many other forms. We must do everything we can to stamp out domestic violence, because the impact on our economy is great—in 2003, the cost was $8.1 billion. This is an economic issue we need to tackle as well.
Ms O'DWYER (Higgins) (19:26): I rise in this place like so many of my colleagues to talk about the incredibly important issue of domestic violence. Domestic violence is a very serious scourge on our society. The reason that I am speaking tonight is that I wish to highlight two particular aspects of it: firstly, the fact that those women who experience domestic violence—and it is predominantly women—can find themselves in a cycle of poverty and that poverty trap envelops their children and often their children's children. Secondly, domestic violence is the single biggest cause of homelessness, involving one in every two homeless women with children.

I had the experience last Thursday night of sleeping out, sleeping rough, as part of St Vinnies CEO Sleepout. It was the second year I have been involved in the CEO sleepout. What is most startling to me are the statistics: so many people in our society, in a country as great as ours, are homeless and sleep rough every night—over 100,000 people. Over half of those people are women, and a quarter of them are under the age of 18. The reasons people become homeless are very complex—for some people it can be substance abuse, drugs and alcohol, the loss of a job, the failure of a business, but women particularly find themselves homeless as a result of domestic violence.

Domestic violence is, as I said, a huge scourge on our community. I spoke that night with a woman who runs two women's refuges: one in metropolitan Melbourne and one in rural Victoria. One of the greatest concerns for me is that one of the problems she experiences every day is that there are limited places. In the Melbourne refuge there are 60 residential places and the outreach program reaches almost 300 people. Due to demand, she has to make a difficult choice: to turn women and children away or turn out women and children who are currently residing there in temporary accommodation. This temporary accommodation can last for years before public housing becomes available. This affects the most vulnerable in our community. They and I place women and children in that category. I think it is important that we highlight this issue and the fact that there are people doing very good work in this area: St Vinnies, as I mentioned, is one that provides emergency housing. In my local community of Higgins, there is very good work being done by a number of local community groups, including St Joseph's Emergency Housing. They have transformed four old school rooms into four self-contained transitional units for families. The heartbreaking aspect of all of this is that there is such a huge need for this transitional housing. We would like to be in a very different position from the position we find ourselves in today, where women do not have the need to call upon such temporary housing in order to deal with this terrible issue.

Hopefully, if we do our jobs properly in this place and in the community, we can empower women who deal with this terrible behaviour to get the help they need to ensure that their children can live in a safe and secure environment, free from any violence. That is why each of us in this place speaks with one voice when we say no to violence against women and no to violence against children. It should never, ever be tolerated. We must always take a very strong stand. That is why I am pleased to talk on this motion tonight to highlight domestic violence as a critical issue that needs to be addressed at a national, state and local level to ensure that women receive the support they require to ensure that we can build a stronger and safer Australia.
Mrs D'ATH (Petrie) (19:31): I rise in support of this motion. I also want to thank the member for Kingston for bringing this motion before the House and I also acknowledge the other members who have spoken in relation to this motion. As we know, there is no one quick fix to solve the problem of domestic violence. It is an ongoing issue. It is about education, it is about awareness and it is about support.

When we talk about domestic violence we are not talking only about physical violence but sexual, emotional and psychological abuse. The National Plan to Reduce Violence against Women and their Children, which is an initiative of the Council of Australian Governments, identifies some of the areas that are defined within domestic violence. It also points out that violence against women can be described in many different ways, and laws in each state and territory have their own definitions. Maybe we can all work towards having a common definition so that when we are talking about laws, about support and about workplaces, we are all talking about the same thing on the same basis.

Importantly, the Australian Domestic and Family Violence Clearinghouse fact sheet titled 'Domestic violence: a workplace issue' states:

VicHealth found that domestic violence is the leading contributor to death, disability and illness in women aged 15-44 years, being a greater contributor than factors like high blood pressure, smoking or obesity.

It goes on to explain the impacts of domestic violence when it comes to women in the workplace:

The impacts of domestic violence may stop women working or adversely affect their work performance due to sleep deprivation, injuries, clothes being hidden, promises of child minding being withdrawn, or women being physically prevented from leaving the home.

Those are just some of the effects. We also know that by acting to reduce the impacts of domestic violence in the workplace, employers can save the costs associated with lost productivity, misuse of resources, absenteeism and staff turnover. We know that being in employment is a key pathway to leaving a violent relationship. The financial security of employment allows women to escape becoming trapped in isolated, violent and abusive relationships and to maintain, as far as possible, their home and standard of living. That is why I want to acknowledge the work that the Queensland government, and particularly the previous Bligh government, did in introducing the program of action called For our Sons and Daughters to reduce domestic and family violence and, more recently, in changing the terms of the Public Service conditions of employment under 'special leave' to include 'other exceptional circumstances' including 'an employee who is dealing with matters arising from or as a result of family or domestic violence.' This is a really positive step forward. The member for Kingston mentions in her motion that not just Queensland but also New South Wales have introduced domestic violence clauses into legislation for their public sector employees. We encourage more governments to do this for the private sector as well as for the public sector.

As I said, there is a lot of work to be done on domestic violence, and a lot of it is done by our local community organisations. I acknowledge the Regional Community Association Moreton Bay and its family relationships service. Each year it holds a candlelight vigil. I have attended these over many years, and I went to the one held this year on 2 May. It is always a moving ceremony. This year it was held down at Humpybong Park, and we threw rose petals
into the water. We also listened to some very personal stories, one from a woman who was the subject of domestic violence herself and another from a person whose niece lost her life to domestic violence. To stand there and hear these stories was very emotional and very raw, but we need to hear these stories. These women need to speak up, because, if they do not speak up and tell their stories, things are not going to change.

I know that we cannot make domestic violence go away, but we need to support these women more. We need to address housing so that they have somewhere to go, we need to ensure that they have support services in place and—as the member for Kingston's motion says—we need to support them in the workplace.

Ms GAMBARO (Brisbane) (19:36): I too am pleased to speak to the motion on domestic violence that the member for Kingston has placed on the Notice Paper. More than half—58 per cent—of the 1,125 homicides of females in Australia over a nine-year period were committed by an intimate partner. That figure is absolutely staggering. As mentioned in the motion, two-thirds of Australian women who have experienced domestic violence by their current partner are in paid employment. I pay tribute to government programs and non-government organisations which play a very important role in our community. They offer refuge and assistance to victims of domestic violence and run educational and awareness programs to try to eradicate the problem, which really should have no place in our society. I pay particular tribute to two organisations in my electorate—the 139 Club and Good Sam's—who provide counselling and help for women who find themselves homeless. I was happy to join both these organisations recently in their fundraising ventures.

The motion we are debating tonight deals with the impact that domestic violence can have on the employment of women and on their contribution in the workplace and with the role that employers can play in helping those who suffer. Domestic violence is a very sensitive issue for any employer with workers who have experienced or who currently experience domestic violence. The psychological trauma and the mental effect it has on sufferers is terrible, and that sometimes makes it really hard for employers to approach an employee to talk about it and see what they can do. Unfortunately, I know this experience too well. As a former manager of a retail establishment, one of my saddest duties was counselling and supporting victims of domestic violence who worked with me at the store.

As the member for Kingston has acknowledged in the motion, both the New South Wales and the Queensland public sector employment acts contain provisions to help employees who suffer from domestic violence, and many private businesses are now incorporating the same sorts of provisions into their employment contracts. We as members of parliament should congratulate those private businesses and do everything we can to encourage what they are doing to become normal practice.

I turn to Australia's CEO Challenge in Queensland, which began with a vision of a world without domestic violence and which today has grown into a passionate and influential organisation. I have been a proud supporter of and participant in many of their programs and fundraising events. Through fundraising and proactive business partnership, Australia's CEO Challenge facilitates aid for local refuges and shelters which support the people who are worst affected by domestic violence. It does this by bringing together two very important components of our society: the business world and community organisations. There are many statistics that are often quoted when we talk about domestic violence. The worst statistics I
have seen have been in an analysis undertaken by KPMG management consultants which showed that the cost to the Australian economy of violence against women and their children was estimated at $13.6 billion in 2008-09 with projected costs increasing if there was no reduction in the current rates. They estimate that that will increase to $15.6 billion by 2021-22—indeed, staggering figures. There are financial reasons as well as moral reasons for employers to help deal with this issue either through employment contracts or other financial partnerships. It is really great to see this organisation, amongst the many other organisations that work in this area, directly advocating and directly encouraging businesses to play a much more positive role in making our society one that is free of domestic violence.

In conclusion, I fully support the motion and I commend it to the House.

Debate adjourned.

Live Animal Exports

Debate resumed on motion by Mr Entsch:

That this House:

(1) notes the profound financial impact on graziers and associated businesses by the Government's decision to ban live cattle exports to Indonesia on 7 June 2011;

(2) acknowledges that due to Government maladministration:

(a) the criteria outline in the Business Assistance Payments program offered to affected graziers and businesses contained ambiguous wording and was confusing for applicants;

(b) Centrelink staff who advised on applications for the Business Assistance Payments program offered inaccurate advice to eligible applicants; and

(c) applicants who met the criteria missed the deadline for the program because they were misinformed about their eligibility; and

(3) condemns the Minister for Agriculture, Fisheries and Forestry for:

(a) refusing to extend the Business Assistance Payments program to assist affected farmers and businesses who experienced financial losses as a direct result of the live export ban; and

(b) his poor handling of the issue, which has led to financial losses in the cattle industry.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (19:41): In rising to speak on this motion it certainly does not give me any great pleasure at all in having to raise this issue again. If you go back to last year when decisions were made by the minister with regard to live cattle export, the process that was used by the minister and the decisions that he made showed quite clearly that he had no understanding whatsoever of that portion of the industry of which he was charged with the responsibility of representing. As a direct consequence of that, the decisions that he made had a profound negative impact on many producers, large and small, and many of those in my region in Far North Queensland.

I think the minister recognised that he had made some grave mistakes in the way in which he had handled the issue. That manifested itself in that he was prepared to offer a $25,000 support package to assist those that had been negatively impacted by that decision. We all welcomed the decision that he was prepared to recognise that he had made an error and that that money was going to be made available, certainly not to compensate, but to at least assist those producers, who had been negatively affected, to survive another season and deal with their problems.
I have to say that I received a number of letters at that time. One was from Mary and Vic Inverardi who said that they heard Bos indicus that were suited for the climate in North Queensland and the breed was preferred by the export market—we all know that. In June they sold off steers as a direct result of the live export ban. Because they were worried about their future cash flow, they have now obtained agistment for the steers and heifers that they kept on supplements. Of course, that is an additional cost because they have gone over the weight for the live export because of the delays, and, of course, that is another drain on their resources. It also meant an impact on their natural grasses. This year's weaners that are coming along are now too light for the weight limit and they have to hold them over until next season. That, in itself, basically cuts off the cash flow for the Inverardis.

We had a similar letter from Troy and Erica D'Addona from Lakeland. They had been forced to sell off a large number of their weaner steers. The export ban had prevented them from selling older cattle earlier this year and now they are overstocked and have a shortage of grass. They have had to feed older steers and have had to put some on agistment, again, at significant additional cost.

There were also Kieran and Tracy Lucey from Mount Garnet. They put it even better when they said they were affected by Yasi. They were unable to sell cattle through their normal turnoff period. That put a huge financial pressure on them and they had to extend their overdraft. They then had four decks of cattle booked for the live export boat which was due to leave the week surrounding the export ban. Again, it was another huge financial blow for their business and they were already at their limits in relation to their overdraft. They have had to subsequently have their loan repayments deferred.

These are the sorts of things that are seriously impacting people. I thought at the time that the $25,000 would assist these people or at least carry them over to the next year. I wrote with all the best of intentions to the minister suggesting that we needed some help in this area. Centrelink had been charged with the responsibility of managing this particular program and that is where the problem lies. These people, the Inverardis, the D'Addonas and the Luceys, were busy fixing up problems. Much of it was associated with damage that was done from cyclone Yasi and they realised they were going to have shortfalls.

They heard in advertisements that they may be entitled to an opportunity in relation to financial assistance, and they all did the same thing—they contacted Centrelink—and that is where the problem was because they were told by Centrelink staff, who like the minister had absolutely no understanding, whatsoever, of the program they were administering that they had no entitlement to. So, they went about their business, disappointed, repairing fences and other damage by cyclone Yasi. It was only later they realised, when they spoke to others outside the district, that they may well have been entitled to that $25,000. Unfortunately, the time allocated for applying finished in September last year and they were told that they were outside the time frame, even though on review they were entitled to the payment. It was on that basis I wrote to the minister expressing my concerns and urging him to reconsider his position.

I got a letter back from the minister recently and in that letter he said that he was not going to extend those grants. He also went on to say that his department had provided Centrelink with scripts for use by the Australian government assistance line call centre staff. Clearly, given he did not understand what he was administering, the scripts he provided to Centrelink
staff obviously reflected that. They were telling people, who clearly qualified, that they had no entitlement. As he said in his letter, he used mobile servicing units and rural and remote newspapers and community meetings. They circulated facts sheets on the business assistance package to a large number of stakeholders including farming and representative groups. That is true, but the problem was that, when he provided that information, the people who were administering it—the people working at Centrelink—had the script sheets provided by his department and they were wrong. This is no reflection on the Centrelink staff. They were only providing advice on what they were being told.

There were many, many people who missed out on this application. I spoke to AgForce on this matter to see how broad this problem was. The response I got was:

AgForce North regional staff, elected councillors and Cattle Council Australia's northern representatives have received numerous calls from a wide cross section of producers and many in the Yasi impact area, all raised their concerns that Centrelink paperwork for eligibility was very misleading and consequently no applications prepared. Unfortunately, they go on to say:

The 3 month claim period was far too short considering the state of this region following Yasi,—

it appears that the Northern Territory and Western Australia did not have this same problem over there because they did not have to deal with the impact of cyclone Yasi on top of this. Given the impact it has had in my region in Far North Queensland having a double whammy of Yasi and a minister who does not understand those sections of industry that he is responsible for in his portfolio, providing misleading and ambiguous information to Centrelink call staff which saw many producers—particularly smaller producers, who least could afford to—lose that $25,000, it is profoundly disappointing that that minister does not at least concede that not only did he make a mistake in the initial decisions in relation to the live export debacle but he also continued to make mistakes which have compounded the problems for these particular individuals. He should open it up to allow those who have been so badly affected by this to give them an opportunity to recover something of the losses that they are continuing to suffer even to this day because of very, very bad decisions by a minister who clearly does not understand much of the portfolio that he is charged with the responsibility of administering. I believe that, in that case, where the minister continues to allow these problems to be ongoing, he should be condemned for the way in which he has handled this whole debacle.

Mr SIDEBOTTOM (Braddon—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (19:51): I would like to bring a bit of balance to the comments made by the member for Leichhardt. In May last year the federal government was provided with evidence of systemic animal cruelty in facilities across Indonesia. Who will forget the small section of this evidence shown on the ABC's Four Corners report? For nearly every viewer, it was disgraceful. As many MPs like me know full well, the public outcry was deafening from both the wider community and from cattle producers. Indeed, this report generated some of the most numerous amounts of correspondence on an issue I have received in all my time in the parliament since 1998.

It is true to say that many people in this place and in the wider community hold firm views on the issue of animal welfare. Where deliberate and unregulated cruelty is exposed, there is a moral, let alone administrative or regulatory, imperative to act. In the instances captured on
the ABC's *Four Corners* program, the industry charged with the responsibility for ensuring an ethical regulatory process had failed. In essence, it had failed to adequately ensure the community's expectations of the livestock exporters were maintained. Clearly, industry self-regulation had failed. It was clear that for a legitimate industry to continue, decisive government intervention would be required.

I remember speaking in this chamber on the issue just over 12 months ago. I acknowledged, as all members of the government did, that the Minister for Agriculture, Fisheries and Forestry, Joe Ludwig, made a difficult but important decision to temporarily suspend the export of livestock to Indonesia. Make no mistake: the minister's decision was not easy and was not taken lightly. Indeed, the conflicting nature of the interests at stake guaranteed massive tension whichever decision was made. However, the minister's decision to briefly suspend the trade enabled the government to put in place a once-in-a-generation reform for the livestock export industry and undertake an independent review of the broader livestock export issues. As I said, the suspension decision was difficult to make but, contrary to the beliefs of the critics of the minister's actions, it was the right decision to make.

To the naysayers of the industry let me say that the livestock export industry is an important industry. It supports numerous jobs across Northern and Western Australia. It is a significant employer of Indigenous peoples and it is the main market for the cattle producers in Northern Australia. Indeed, in 2009, the live export sector earned nearly $1 billion and underpinned the employment of around 10,000 people in rural and regional Australia. Suggestions by critics of this trade that it could and can be completely replaced by chilled and frozen meat fail to take into account the requirements of the overseas market. The lack of refrigeration and cold chain facilities as well as strong cultural preferences for professionally slaughtered meat preclude Australia from servicing all of its export markets with processed meat products. No, the live animal export trade is a mutually beneficial trade between Australia and our trading partners who seek our product. What we had to do, upon the temporary suspension of the live export trade to Indonesia that took practical effect on 8 June 2011, was devise and implement a new regulatory framework requiring exporters to establish an exporter supply chain assurance system, or ESCAS, in offshore markets.

The live animal export trade is a legitimate industry that can continue, but the industry must be held accountable for the outcomes it provides. This is why the minister announced on 8 June 2011 the temporary suspension of export to Indonesia of all livestock for the purpose of slaughter. During the suspension the Australian government together with industry developed a new regulatory framework for the export of livestock to Indonesia, and on 7 July 2011 the suspension was lifted. From this date supply chain assurance principles were implemented to ensure internationally agreed animal welfare outcomes in Indonesian supply chains. Importantly, these principles underpinning ESCAS are being progressively implemented during 2012 to all feeder and slaughter livestock export markets such as Kuwait, Qatar, Bahrain and Turkey. Phased in was 75 per cent of trade covered as of 1 March 2012, and 99 per cent is expected to be covered by 1 September this year, with all markets covered by the end of the year.

As of 1 March this year the new regulatory framework also applies to all new markets, so no amount of negative commentary can deny that the reforms this government has put in place ensure the future of the industry and the future of the jobs it supports. Indeed, industry
should be encouraged by the recent report by the agricultural banking specialists Rabo Bank that the long-term outlook for the live cattle trade to Indonesia remains strong. The report indicates Australia is well placed to supply the Indonesian market into the future with low-cost, disease-free beef to complement domestic production.

The reforms mean that exporters must show they have a supply chain assurance system that delivers on internationally agreed animal welfare requirements along the supply chain to the point of processing, control of animals throughout the supply chain, tracking and accountability of animals throughout the supply chain itself and independent auditing and reporting. These reforms put animal welfare at the heart of the trade, an expectation of both producers and the public alike. The essential principle behind the reforms is that if you cannot show you will ensure animal welfare, you will not export.

Members might remember that the new system faced a significant test earlier this year when additional footage was provided to the government of further serious malpractice. Many critics claimed that this was evidence of a system that had failed. However, what they did not say was that because of the new system—not in spite of it but because of it—the regulator was able to hold those who were found to be in breach accountable for their practices and failure to abide by the reform processes. The new framework allowed a detailed analysis of the evidence provided and allowed those parties who were found not to have complied with the regulations to be penalised for this.

I want to touch on the issue of credibility. I notice on 7 July last year the member for Leichhardt issued a press release welcoming the Gillard government’s move to lift the temporary suspension of livestock exports. In the same press release, the member stated:
The trade did not need to be suspended for a month, immediate measures could have been put in place when the inhumane treatment in certain abattoirs was exposed.

However, the facts speak very differently. The investigation earlier this year showed that even the exporters who claimed their systems were the best, that their facilities have no problems, were found to have significant issues. The member for Leichhardt seemed to have bought the propaganda from the industry. This is not the first time the member for Leichhardt has been out on a limb when it comes to livestock exports. I do not need to remind many of those opposite about the atrocious handling of the MV Cormo Express by the former Howard government. Remember?

Over 50,000 sheep were stranded at sea when the importing country refused to take delivery. It took the Howard government over 70 days to get the sheep disembarked. But this is no surprise, as his own backbench was refusing the then minister for agriculture, Warren Truss, to do the right thing for animal welfare and bring the sheep home. Mr Entsch and another Liberal backbencher, the former member for O’Connor, my friend Wilson Tuckey, even attempted to refuse the vessel return to Australia for fear of biosecurity risks. This shows that the member for Leichhardt really has little credibility when it comes to ensuring animal welfare. Just like we have each state and territory policing their own animal welfare, we now have a cop on the beat for livestock exports, no matter how much the other side want to poop- ha what I am saying.

This transition has been a difficult time for many. There is no doubt about that. The decision to temporarily suspend the trade was not taken lightly and, indeed, I know that Minister Ludwig found the decision personally difficult in the knowledge that families and
enterprises would experience difficulties. That is why the government provided a range of domestic assistance measures to assist producers transition through the suspension of trade with Indonesia. The government made available an income recovery subsidy of up to 13 weeks of income support for individuals, priority access to employment assistance through Job Services Australia for individuals retrenched as a result of the temporary suspension, a business assistance package comprising a business assistance payment of $5,000 and a business hardship payment of up to $20,000, as well as a system of grants and a subsidised interest rate scheme on new business loans of $300,000 over two years. (Time expired)

Mr JOHN COBB (Calare) (20:01): I rise to support my colleague the honourable member for Leichhardt on what is an incredibly important motion. The motion outlines the profound impact on our northern cattle industry due to the live export ban and condemns this government's pathetic effort to repair the massive damage to the industry and communities caused by an inept decision.

Live cattle export is a vitally important Australian industry. It is one of the few success stories in northern Australia and it has stood the test of time. In the first two weeks of this month, I was in the north of Western Australia and in Queensland. I will be discussing this issue with the cattle industry in the Northern Territory in the coming weeks. It is fair to say that the industry is being shattered by the ban that took place just over a year ago. In fact, the member for Durack and I were in Broome just a couple of weeks ago. It is fair to say that the industry is incredibly nervous about its future. Wherever the member for Durack and I were, the question people kept asking us was: what is our government doing to repair relations with the government that we totally ignored in making a political decision that we thought would gain us credence with a section of the Australian population?

The cattle industry in northern Australia is dynamic. It has great potential to increase production and provide protein to the Asian market. It has evolved over last 20 years. The reason it has evolved is that 17 abattoirs closed in that time in northern Australia because they went broke, they were unviable and they could not get people to work in them. Although this government does not seem to realise it, this is not an industry that can continue for 12 months of the year. These are incredibly hard-working Australians just trying to get on with their lives. They care for their cattle. I am a cattleman, and we do. Some people spend their whole life trying to improve a herd, and of course they care about the way the cattle are treated. Nobody wants better treatment for cattle than they do. They wanted this issue fixed but the government ignored them. It also ignored one of our nearest neighbours, certainly our biggest and most important neighbour of over a quarter of a billion people, who also wanted the issue dealt with. The government was paralysed by its own incompetence. It overreacted, shut down a $360 million industry and created more welfare issues for cattle than it solved. No decision by this government or any other government has frightened Australian businesses as much as this unilateral decision to shut down the live export trade overnight without warning, let alone talking to our trading partners and customers in Indonesia.

The decision has also introduced sovereign risk as a factor for those trading with Australia. Indonesia is now looking for alternative markets right around the world because we have shown ourselves to be unreliable because of government interference. Our quotas have been cut for boxed meat. To all those who protested that the only way to solve this was to slaughter
the animals in Australia and send out the processed meat: hello? Not only have we had our quotas cut for live cattle; the quotas for processed and boxed meat have been cut as well.

This immature action devastated our industry, and narrow guidelines and a poorly administered assistance package, mentioned very specifically and very articulately by the member for Leichhardt, have meant that worthy recipients have missed out on vital assistance funding and are struggling to recover. This was a panic decision in which they ignored, even though they had a pseudo-assistance package for the industry—*(Time expired)*

**Mr PERRETT** (Moreton) *(20:06)*: I rise to oppose the motion by the member for Leichhardt regarding the government's decision to suspend live cattle exports. I am pleased that this motion gives me the opportunity to speak in the House on the Gillard government's significant reforms that firmly position animal welfare as the solid platform on which our live export trade rests. I do so without an abattoir in my electorate and with only one herd of cattle in my electorate, but with a long background in the meat industry I do know a little about it.

As Australian politicians, if we had our druthers, we would want all our cattle slaughtered in Australia and then we would have the value-adding. That is not the reality. I know that Northern Territory and Western Australian cattle are a lot closer to Indonesia. After seeing the *Four Corners* footage I also know that whenever people see footage of animals being killed it can be shocking. The reality is that you do not get to have a wonderful agricultural industry—our graziers are some of the best in the world and are turning out some of the best cattle in the world, be it the fat cattle of the south, the leaner cattle of the north and everything in between.

When they tried to bomb her, I think the IRA said about Margaret Thatcher's security that the security people have to get it right all the time. The IRA said, 'We can get lucky every now and then.' With our scheme, we responded to a failure in a self-regulated industry. Let us remind people of that. We do not have to go back that far to see it has happened in the past, to when then agriculture minister McGauran was watching a *60 Minutes* episode and, bang, before the show was over, he had banned the live export of sheep. It has happened in the past. In the past, those opposite saw that show and we saw a government decision implemented before the show was even over. This situation was not like that.

Obviously, we need to continue to support this important trade. There are a lot of jobs in the Northern Territory, Western Australia and North Queensland connected to the industry, particularly Indigenous jobs and all the other families and communities who rely on this important industry. We need a system that provides checks and balances through which the Australian community and graziers will know that the live export trade can continue. Suspending the trade for a short term was the only way to secure the trade in the long term. Obviously it was not an easy decision by Minister Ludwig; but he does know a lot about meat with his background in that industry and growing up in Charleville and Roma. The decision was the right one, and the only one, and those opposite know it. It was the only one that could actually be made in that circumstance. As I said, it echoed the decision of Minister McGauran from years before, especially when we have a self-regulated industry.

This new system requires Australian exporters to meet international animal welfare standards—hard to argue against. It also allows the regulator to investigate when those standards are not met and to take the appropriate action. The fact that some exporters do not meet the standards we require should not overshadow the progress that many in the industry have made to date; and I do know that it has been tough and that they are considering actions
against the minister—it is their legal right to do so. But we also know that the ESCAS system will be the envy of other nations in being able to show individual supply chains: trace the animals, identify the exporters and the abattoirs, and the way that the animals are treated. Obviously some breeding cattle do not fit into that, but I think that any measure of common sense would accept that.

Also, if there are some systemic failings, rather than the hiccups that do occur in any abattoir—having worked in an abattoir, and I know that the member for Lyons has worked in an abattoir a lot more than I have, you do occasionally have some hiccups—now the abattoir will face the consequences. And that is what every grazier would want. As we heard from the previous speaker, graziers love their cattle and they love the welfare of their cattle. So suspending trade in the short term was the only way to implement a system that would give the trade, the jobs and the communities that rely on it a future—a sustainable, dependable and defendable future, and a proud future. Obviously the decision was not taken lightly, but anyone who saw the ABC Four Corners episode knows that the minister weighed up the situation and made the right decision.

Mr O'DOWD (Flynn) (20:11): I rise to support the member for Leichhardt on his motion on live cattle exports. The motion shows the profound financial impact on graziers and associated businesses by the government's decision to ban live cattle exports to Indonesia on 7 June 2011. The $1 billion live cattle export industry is very important to the national economy as well as to family businesses and entire communities across regional Northern Australia.

Indonesia takes 60 per cent of Australian live cattle, which is worth over $320 million to the economy. Indonesia also imported five per cent of our boxed meat. In all, some 13,000 direct jobs depend on this sector. Had the minister stuck to his original plan to ban the 11 abattoirs mentioned in the Four Corners report it would not have been such a problem. But you cannot stop an industry for one month, because it soon extends to six months: you just cannot stop an industry like turning a tap on and turning a tap off. I am very suspicious of the Four Corners report: if it was such a big problem, why did they not bring it to the authority's attention immediately instead of getting all their ducks lined up and then delivering a whammy? I think that it is very wrong of Four Corners and any other associated people who helped put that program together.

Eighty-two Indigenous cattle properties alone are directly affected, supporting some 700 Indigenous jobs and, indirectly, a further 17,000 jobs across Northern Australia. It has impacted very much on these people. It has also impacted on our southern beef producers; the absence of meat works in the north because of seasonal conditions, workforce and other types of industry pressure means that there is a cartage fee of $200 to bring one head down from the north to the south, to our southern meat works. This also puts pressure on the southern beef prices.

The blanket Indonesian ban required $100 million of taxpayers' money to assist with the package to compensate the cattle producers for the government's ineptitude. It is a massive increase from the original $5 million the government offered in the first place—$5 million was just treated as a laugh. It just goes to show how out of step the government was with the industry. In the 2008 budget, the government pulled $16 million worth of research and development funding out of Australian agriculture but gave $484 million to overseas countries for their research.
Indonesia, a country of nearly 250 million, has cut quotas for our live cattle since the export ban. They took it hard and were offended by our actions. Indonesia has also cut their imports of Australian boxed meat significantly since the ban. Some of these remote areas of Indonesia do not have the luxury of electricity or cold rooms and rely on daily fresh supplies of red meat. This we denied them for a month—or longer—until we got the industry back on its feet. There was a trickle-down impact on Australian industries such as real estate, transport, trucking and shipping. Indigenous employment, stock agencies, feed producers, rural contractors, local town suppliers and government departments all suffered during this period of time.

The motion also seeks to acknowledge that, due to the government's maladministration, the business assistance program offered very little to graziers. The Centrelink staff were ill-advised. They did not understand what the system's rules were. There was a lack of training—it was rushed through. Some applicants missed the deadline because they were misinformed about their eligibility and how to fill out the paperwork—one again, red tape.

This motion condemns the Minister for Agriculture, Fisheries and Forestry for refusing to extend the business assistance program to farmers who suffered financial losses as a direct result of the export ban and for his poor handling of the issue leading to financial losses in the cattle industry.

Mr ADAMS (Lyons) (20:16): I have heard a fair few debates during my 20 years in parliament, but this one on the motion by the member for Leichhardt about the ban on live cattle exports is pretty ordinary. The other side have not presented one systematic explanation—with a (1), (2) and (3) and then an (a), (b) and (c)—of what they would have done in these circumstances. We just had the last member blame the messenger—the ABC got a burn. So the basis of democracy in this country, an open press, is in question because something was highlighted the member did not like. They just blame the messenger.

What nonsense we have heard in this debate. I remember what the other side did when they were in government. Remember how, under the Howard government and its minister, there were sheep at sea for 70 days? They were denied entry at the intended destination and sent back to sea—and they were left at sea for 70 days. The incompetence of that regime in leaving those sheep at sea speaks for itself.

They come in here and talk about people missing out. Maybe it was up to those members from the Northern Territory who represent those people to do something about it. Nobody stood up. Why did you not stand up? Where were the members representing these people? They failed the test and then they come in here with a motion criticising Centrelink and criticising the minister—criticising anybody but themselves. They should look at themselves; they are the ones who failed to give representation.

Of course one feels for people who lose income from their businesses. So maybe one should look at those who were making the decisions at the time and at what decisions they were making. Were they looking at the future of the meat industry—based on the future of Indonesia, the growth in their supermarket trade, the growth in packaged meats and the changes in the way the Indonesians are organising their supply and trying to keep things chilled? I can remember my grandparents' house in a country town in Tasmania—they did not have a fridge either. They used to buy from the butcher's shop down the road every two or three days. On the farm I grew up on, there was no fridge either. The animals were cut up.
under a tree and put in the meat safe. So you do not have to be limited to these simplistic solutions being put by the opposition, these arguments that you cannot do anything else. The opposition do not look to the future. In Indonesia there are 200 million people. It is one of our closest neighbours, a great country that we have great relationships with. We should be looking at the future and how we trade with them in chilled and frozen projects. So I think that Meat and Livestock Australia should have been looking at the future a little bit more than it was. We all know that in this place, but some people will not face it and they will not give other reasons or what they would have done either. They just come in here with this very poor motion.

We need to be looking for the future. We need to be making sure that animals are not treated badly. I had many farmers in my office after this event saying that something had to be done. They are people that really look after their stock, and some of them have gone out on new regimes in animal husbandry to do that. They were very concerned that they were going to cop the bad press on this. So we need to make sure that we look after our stock the right way so that we have a future industry.

I remember the Howard government introducing the National Livestock Identification System, with the tags. It is very important to have a system so that you can react if there is a disease in stock anywhere in the country. But what did the Howard government do? They exempted the export trade in Northern Australia. They said, 'You don't have to have the tags.' I suppose that was pretty good for some people's taxation records as well, wasn't it? So you have all that nonsense, and then you have to pick up on that so you can have supply chain recognition and a proper auditing process, which this government has put in place.

I think we have done extremely well with this. I feel sorry for those that have lost income and had some hardship from it, but simplistic motions like this will do nothing. I believe the industry should consider diversification, looking for local processing and the export of higher value chilled beef into South-East Asia. If we go down that track, I believe we can really find some solutions. (Time expired)

Mr HAASE (Durack) (20:21): Of course, I rise this evening to vehemently support this motion put by the member for Leichhardt. I am one of those referred to in the rhetorical question from the member for Lyons. I am a supporter of the Northern Australian cattle industry, and I vehemently deny his charge that my cattlemen do not respect, look after and value their cattle as his constituents do. Apparently they came into his office declaring their love for their cattle. Well, there is no greater love for cattle than that exhibited by my northern cattlemen, who raise cattle in very harsh conditions, not the lush, green countryside of Tasmania, where growing anything is pretty easy—and the member for Lyons is fine testament to that! The cattle industry in Northern Australia relies on *Bos indicus* cattle. *Bos indicus* cattle are originally an Indian breed of cattle, and they survive in extremely harsh conditions. They sweat, basically, and they therefore feed in daylight hours, because in daylight hours they can put on weight, where poor old English breeds are hiding under a tree somewhere in the shade and they do not eat, do not put on weight and do not as well. It is these same *Bos indicus* cattle that are the only cattle acceptable to the Indonesians, because they can improve their weight and condition in Indonesia in similar very high-temperature areas.
That is why we that know what is going on in Northern Australia and what the industry is all about are so horrified to believe that an agricultural minister, through a stroke of the pen, as a result of the push from comparatively ignorant members from southern Australian Labor electorates, would declare that the industry is off, leaving hundreds of thousands of cattle stranded in export yards right across Northern Australia with no provision for food or transportation and no answer to the question as to who owns them, who is going to pay for them, who is going to pay for feed and who is going to pay for replacement transport. None of that was answered. There was a stroke of a pen by a maladministrator in the ministry, who said, 'The export industry is off.' This is why we are so vehemently stating that there has been maladministration. There has been an oversimplification by Centrelink staff, who were not prepared in any way—there was no satisfactory briefing whatsoever—as to how applicants could meet the criteria and prove their financial loss as a result of that stroke of the pen by the minister.

That is why we say that the government have to accept responsibility when by that stroke of the pen they virtually laid siege to our nearest neighbour—a quarter of a billion people who were supposedly to accept that a good friend was well intentioned when it said, 'By the way, we're going to starve you of beef.' They do have a wet market. They do have an industry that is not provided with modern refrigeration, not provided with electricity, and the wet market is the way. It is the more and the custom of Indonesian people. The wet market is well understood by the producers in Northern Australia, and that is why it was unacceptable for a government as a knee-jerk reaction, not informed by knowledge but motivated by ignorance, to simply say, 'Well, we've got to stop that.'

Consider that the footage was held by the ABC. It was produced by Animals Australia. At the time of the viewing in the first instance, the witnessing by Animals Australia, it was news. By the time it went to air on Four Corners it was not news; it was a cold, calculated attempt to bring down an industry because PETA, Animals Australia, RSPCA and Pew, all intended to destroy the live market out of Australia to overseas. It is the only industry in Northern Australia that will be sustainable commercially. If we lose that market because of the actions of the Greens in league with arrogant, ignorant, ill-informed Labor members from south-eastern Australia, it will be to their eternal shame.

Debate adjourned.

Royal Australian Navy

Debate resumed on the motion by Mr Griffin:

That this House:
(1) acknowledges the excellent work undertaken by Australian naval forces in the Middle East Gulf Region, in particular the important tasks of:
   (a) opposition to the smuggling of arms, drugs and other contraband;
   (b) counter piracy operations; and
   (c) maritime protection; and
(2) applauds the contribution made by the Royal Australian Navy as part of the international coalition in the Middle East.

Mr Griffin (Bruce) (20:27): I rise tonight to acknowledge and to applaud the excellent efforts of the Royal Australian Navy as part of the international coalition in the Middle East—
a coalition that has performed excellent services around opposition to the smuggling of arms, drugs and other contraband, counter-piracy operations and maritime protection. It is a presence that we can all be proud of. It is a presence which has been in place now since 2001 as part of Operation Slipper. I had the honour and privilege recently of going to the Middle East as part of the ADF parliamentary program on the HMAS Melbourne, which was on its third deployment as part of the 28th rotation of a Royal Australian Navy fleet unit since 2001. We were certainly treated well and with great respect by Commander Rick Boulton, the commanding officer of the Melbourne, and all of his ship's crew. They certainly honoured us with the support they gave us so that we were able to gain a good understanding in a short period of time of the excellent work being done as part of that multinational force.

I will just use a couple of examples to highlight the excellent work that has been done by the Australian Navy in recent years at that place. I will read from a release at the time of the return of HMAS Parramatta. It quotes the Minister for Defence Science and Personnel, Warren Snowden:

Parramatta was the seventh Royal Australian Navy warship to participate in counter-terrorism operations in the Gulf of Oman, north Arabian Sea and the strategically important Bab Al Mandeb and Straits of Hormuz.

The crew also conducted important counter-piracy operations in the Gulf of Aden and in the waters off the Horn of Africa and the Somali Basin.

While deployed Parramatta successfully seized and destroyed more than 240 kilograms of illegal narcotics in the Arabian Sea. The drugs had an estimated street value of US $5 million and their disposal denied insurgents and terrorists access to vital funds.

Parramatta also provided life saving assistance to the crew of an Iranian dhow set adrift on the high seas after being pirated on Christmas Eve 2011.

In addition, HMAS Stuart in 2011 rescued three crew members who were being held hostage by pirates off the Horn of Africa. Some 15 Somali pirates surrendered to HMAS Stuart's boarding party as they approached the dhow, the Al Shahar 75. During a search of the dhow, the boarding party located 11 AK-47 assault rifles with 16 magazines, a large quantity of small-arms ammunition and a rocket-propelled grenade launcher with grenade. The weapons were catalogued and then disposed of overboard. As you can see by these examples, the work that is being done by Australian naval forces as part of the Combined Maritime Forces is of exceptionally high quality and is making a real difference in the Middle East. We do not hear as much about what occurs in the Middle East, given what has been going on in Afghanistan.

The Melbourne's motto, 'Vires acquirit eundo', we gather strength as we go, was certainly exhibited by the crew in their range of activities during our time on board. The professionalism, the skill and the training on display showed us we can be exceptionally proud of the men and women of the Australian Navy. We saw a crew of exceptional quality and a crew in line with the proud traditions of the Australian Navy over many decades. In particular, I would like to acknowledge the chief petty officers, who I spent a good deal of time with in their mess. I will allow others to speak later with respect to other aspects of the crew. By spending time with those guys, in particular, I got a real understanding of the great camaraderie and the very important role they play in ensuring that the spirit on board ship is kept up.
I admit, I may never be able to dismiss from my mind the image of certain chief petty officers around Easter. I have to say they were some of the ugliest Easter bunnies I have ever seen, but there is no doubt they were not crossing the line on that occasion. With respect to crossing the line, as a ceremony, it did not happen while I was there. I did see some photos. It was all about good fun. It was all done in fine style. King Neptune, the Royal Doctor, the Royal Baby, the lovely Queen, Davey Jones and all those involved, it was an honour and a privilege to spend some time with you fine men and women. The work that you do is acknowledged. Your family sacrifice the time you are away and that should always be remembered. Good on you. You are great Australians. We are all very proud you and you should be very proud of the great traditions you follow and the great work you do.

Mr WYATT (Hasluck) (20:32): I rise to support the motion moved by the member for Bruce, Mr Alan Griffin, to acknowledge the excellent work undertaken by our Australian naval forces in the Middle East and in particular by HMAS Melbourne. I applaud the contribution being made by our service men and women, regardless of where they are placed or which military forces they are in. In particular, the Royal Australian Navy is part of the international coalition in the Middle East. The HMAS Melbourne is a guided missile frigate, Adelaide-class, which launched on the 5 May 1989 and commissioned on 15 February 1992. The HMAS Melbourne is one of the Royal Australian Navy's four Adelaide-class guided missile frigates. The ship is a long-range escort capable of area, air defence, surface and underwater warfare, surveillance, reconnaissance and interdiction.

Being part of the ADF program as a parliamentary member and being imbedded on the HMAS Melbourne was an incredible experience. On the ship I met young and older Australians who have been in the Navy for a number of years, ranging from their early stages through to the point where they are now talking about finishing their time with the Navy and spending time back on land. I really appreciated the fact that the two members in the chamber with me now served on that ship during that time. The experiences we had were tremendous—the fun and the opportunity to get an understanding of what each operational team on the ship does. I think that the enrichment of that experience gave me a really strong understanding of what our naval men and women commit to. What I also like is that HMAS Melbourne is known as the 'Red Demon', which the crew display on their T-shirts and their caps with great pride. We were given experience in the operational room through our relationship with the commanding officer, Richard Boulton, from whom we also learned a lot about the running of a ship. What really struck me was the absolute tidiness of the ship, the pride the crew take in their ship and the sections of the teams with the petty officers and chief petty officers and the 60 able seamen who occupy a space in the front of the ship. It is fascinating to watch the way every space on that ship is used and the pride there is about the ship.

I went up on watch deck one morning at 4.30 and spent time watching the sun come up and talking with the crew. We talked about their experiences and why they were proud of the skills they had acquired. It was fascinating. One of the chief petty officers talked about the time they spend with family and how, when they come back off family leave and are back on the ship, crossing that line is always interesting—because one minute you are in a warm and caring environment of family but in the other you are with your naval family.
We saw the humorous side, but I certainly saw highly skilled and highly efficient young people who would hold their own in any industry in Australia and whose knowledge and capabilities as a singular unit make that warship, the HMAS *Melbourne*, an extremely effective, capable weapon that can be used in peace time or in times of conflict. The discussions we had with the commanding officer were tremendous. The member moving this motion made the comment that the commanding officer wanted to be known as 'the dark lord' because we had had a joke about nicknames. So, on the day we left, the music for the dark lord was used to pipe us off the ship!

The incredible young women and young men who dedicate themselves to their role and their tasks certainly do Australia proud and they do the Navy proud. I look forward to at some stage catching up with them again. Certainly in my office we will hang the medals and the memorabilia from that trip. I acknowledge them. *(Time expired)*

**Mr HAYES** (Fowler) *(20:37)*: I would like to thank the member for Bruce for moving this motion and allowing me the opportunity to acknowledge the hard work and dedication of the Royal Australian Navy. Our Navy certainly plays an instrumental role in ensuring that international waters are safe to conduct trade and are free of arms and drug smuggling.

I have also had the opportunity to witness first-hand on a number of occasions the bravery, professionalism and dedication of the men and women who play a part in Australia's Navy. In 2010 I visited the gulf region and witnessed first-hand their efforts, along with the air support of the RAAF, in Operation Slipper. Operation Slipper represents the Australian Defence Force's major contribution to the international campaign against terrorism. The Royal Australian Navy makes a significant contribution to the campaign to ensure the maritime security of our gulf region, fighting piracy and illegal trades and ensuring the smuggling of weapons, drugs and, sadly, people is combated.

This year I also had the opportunity of visiting HMAS *Stirling* at Garden Island Western Australia under the command of Captain Brett Wolski. Whilst the visit was essentially to look at submarines, due to the inclement weather and 20-foot waves, the member for Farrer and I nevertheless got the opportunity to examine in very close quarters issues affecting the naval operations as well as to speak to many of the officers on HMAS *Stirling*.

Coincidentally, during our stay in Western Australia, the HMAS *Toowoomba* was in port and working up for deployment to the gulf for another rotation. HMAS *Toowoomba* is one of our Anzac class frigates and it has made a huge contribution to the multinational task force responsibilities for protecting merchant vessels from pirate attacks off the coast of Somalia. During its role in escorting merchant fleets and conducting patrols in the Internationally Recommended Transit Corridor in 2009, the HMAS *Toowoomba* responded to a call from a merchant vessel, the *BBC Portugal*, and successfully prevented an act of high seas piracy. The *Toowoomba* managed to confiscate a large quantity of weapons from the attackers, including rocket-propelled grenade launchers, AK-47 assault rifles and a G3 assault rifle.

Apart from witnessing the *Toowoomba* readying itself for another operation to the Gulf region, during our visit to HMAS *Stirling*, as I also mentioned, we were treated to the most inclement weather, including driving rain and gale force winds. Due to the high damage to the local area, there was a state government request for assistance from naval personnel. Together, the member for Farrer and I spent the next day—as a matter of fact extending into the early hours of the morning—assisting with the clean-up, along with many sailors and
officers of HMAS *Stirling*, of the local area at Merimbula. Apart from the work, this experience gave us the opportunity to see firsthand the Navy's relationship with the immediate community and a level of appreciation for the reliance that we have, as a community, on the men and women who make up our armed forces.

I particularly commend the efforts of our escort officer, Lieutenant Owen Bowey, who ensured that we were well received at every level of this operational base. I certainly came away with a genuine sense of pride in the men and women who are prepared to wear the Navy uniform, to accept the discipline and, above all, to put the nation before themselves. The professionalism and the dedication of the men and women of our Navy was particularly evident over the past couple of days, particularly in the search and rescue mission that has recently taken place off the coast of Western Australia in respect of asylum seekers. The Royal Australian Navy, together with the border protection command and the Australian Maritime Safety Authority and their merchant ships, have been instrumental in saving the lives of more than 110 people at this point.

The Navy's job is certainly a difficult one. We are forever in their debt for their bravery, their selflessness and their dedication. Australia is right to be proud of all those who serve in our Navy.

**Mrs Markus** (Macquarie) (20:42): I rise to support the motion made by the federal member for Bruce and acknowledge the excellent work undertaken by the Australian naval forces in the Middle East Gulf region. The courageous contribution our Armed Forces make across the globe but particularly in the Middle East is not only admirable but, indeed, should be applauded. It was a privilege to spend several days on board HMAS *Melbourne* in the Royal Australian Navy in April this year as they were doing duty in the Middle East. HMAS *Melbourne* has had a commanding influence in the Middle East Gulf region, completing two tours of duty already. On 11 February 2012 HMAS *Melbourne* departed Australian shores to complete her third tour of duty. Two hundred and thirty-six men and women embarked for a six-month deployment.

During our time on the *Melbourne* as part of a parliamentary exchange program with my colleagues the member for Bruce and the member for Hasluck, we experienced firsthand the dedicated personnel and the conditions in which they live and work. All personnel work in a particularly challenging environment, not to mention the long periods of time they spend away from their families, the high temperatures and the long days and long nights.

While the total ship's company deserves acknowledgement and praise, I would like to make special mention of some personnel who helped to tell the Australian story. I was inspired by their stories. They paint a picture of the dedication, commitment, passion, professionalism and generosity of Australian sailors. Commanding Officer Rick Boulton is performing an outstanding job, demonstrating calm determination as he leads the ship's company. The team works tirelessly under his leadership to identify and pursue those engaged in arms smuggling. This is a strategic operation that requires the combined skills of all on board. The region is plagued with piracy and arms smuggling, and many ships having to create their own citadels to protect themselves.

Lieutenant Commander Joanna Floyd, the supply officer, hosted me while I was on board. Her diligence and attention to detail ensure that the morale of the ship's company is high. It may seem a small thing to those of us who can pop down to the corner shop to pick up...
supplies we forgot or need to replace, but it is a long way to shore from the middle of the ocean if you run out of milk or butter, so her job is indeed vital to ensuring the morale of the crew. Her creativity and ability to enlist others in her quests add further value to morale. One such example was Easter Sunday: finding ourselves on board, Joanna and her team had ensured that chocolate Easter eggs had been stored before they embarked for everyone's enjoyment—a small touch, but it made a big difference.

These men and women sacrifice time with their families to serve our nation. It is not a particularly easy job for the families back home, who have increased pressures and responsibilities. With these come significant sacrifices for all. For example, while we were on board, Willem, the eight-year-old son of one of the fathers who cooked hot cross buns for us, was hospitalised. Hearing this dad's story, hearing him talk about the challenges he faced—not being able to visit his son, having to talk to his wife and his other children about how they were coping from a distance, his wife having to cope and respond to the emergency on her own—tells a story that all the Defence Force have to face. I also had the privilege of meeting two mothers on board. As a mother myself I found it inspiring to see the work that these women do on behalf of our nation. One, Petty Officer Collier, works as a supervising avionics technician and has two beautiful children. Leading Seaman Audhem is the mother of a relatively young toddler, and she told me this was the first deployment and the first time that she had left her child at home. We hugged each other. I think that they are amazing.

In true Anzac tradition, three Royal New Zealand Navy personnel are also on board and have been doing a great job driving the boats and supporting the boarding teams.

Finally, I would like to mention that recently, in a newsletter to the families, Commanding Officer Boulton relayed this message: 'I am particularly proud to introduce this letter by announcing that Warrant Officer Fawbert was awarded the Conspicuous Service Medal in the Queen's Birthday Honours List for his exceptional performance as Ship's Warrant Officer.' We all know Bert very well. I would like to congratulate him. His family is very proud. They live in the seat of Macquarie. 

Ms O'NEILL (Robertson) (20:47): I am delighted to have the opportunity to acknowledge and applaud the work of the Royal Australian Navy in the Middle East, particularly their work against piracy and smuggling. I have to say that it was a life-changing and extremely enlightening experience for me to spend some time on HMAS Stuart last year. Imagine, if you will, a 39-hour series of flights to get to Aqaba in the Middle East, arriving in the hot, dark night, the palm trees swaying, the evening lit up by people having coffees with their friends; and then getting our documents translated into Arabic, meeting with local officials—smoke curling tendrillike to the ceiling—as we finalised our access out of Jordan and onto the Australian ship.

As we passed the third checkpoint with the machine guns and the fine, fit young men who were there to provide support defence, I saw a sight I will never forget: Commander Brett Sonter in his full-whites Middle East rig standing at the top of the gangway to welcome me aboard at midnight. He had entertained local people, doing that important part of the work that the Royal Australian Navy do in terms of quiet diplomacy and understanding the nature of things that are emerging in the area which is so vital to our understanding of our operations there and so vital to understanding our connections with each other as human beings across these bridges.
Once on the ship, I went down into a mess of 15 women. By a small red light, I fumbled in my bag in the darkness. In the morning, when I was able to see a little better but not much because it was a watchman's mess, there were 15 small lockers, and I mean small lockers—the same size as school lockers. This was an insight into the extremely spartan conditions in which the men and women who serve our national interests in the Royal Australian Navy in the Middle East live.

In the time that I was on the ship with these amazing young men and women, officers, seamen and sea women, I tried to live as they do so that I could develop an understanding. I do not think I will ever quite forget sorting the rubbish at the back of the ship. Nor will I forget chopping up food and preparing things in the junior mess. But I have to say that one of the most lasting impressions was a conversation that I had with 12 young men and women who were on that ship from the Central Coast. Having found out that I was from the Central Coast, they had a lot of agency themselves and got together and asked if we might have a meeting to discuss things back home. They were very happy to let me know that, while they were giving of themselves in the service of our nation in the cause of freedom, they were very, very aware of the risks involved in the work they do in trying to suppress piracy and in trying to make sure that they interrupt the smuggling of drugs and arms across the region. They were thinking of their families at home. They were interested in developments in the main street of Gosford. In particular they let me know of their concern about postnatal depression amongst women who had given birth while their husbands were away. They spoke to me about the power of new technologies and what Skype had done to change their sense of connection with home while being deeply proud of their service overseas. That was quite an amazing morning.

The thing that I found quite overwhelming was the youth and the incredible standard of professionalism—whether it was the people who prepared the helicopter to fly off the ship, those who flew it, those who did the communication, those who were incredibly fit and spent hour after hour every day preparing so that they were in a fit condition to board vessels at appropriate times, the surveillance team, the team who worked the mess, the engineers and the amazing engineering that they keep running all the time, the fire wardens who protect health and safety, or the chaplain—a man of generous nature—it was an overwhelmingly empowering experience for me. I felt so proud to be an Australian and so proud of those who serve our nation and our commitment to being good global citizens.

Mr McCormack (Riverina) (20:52): I rise to acknowledge the excellent work undertaken by Australian naval forces in the Middle East Gulf Region and to support the motion by the member for Bruce. Wagga Wagga in my electorate of Riverina is a tri-service city for defence training bases Kapooka, home of the soldier, for the Australian Army and the Royal Australian Air Force at Forest Hill, which is also a Royal Australian Navy base—even though it is a long, long way from the nearest drop of sea water. I have met many graduates of these facilities and have no doubt that they are great men and women with the ultimate respect for their country and a desire to help those around the world.

Australia's contribution to the international campaign against terrorism, maritime security in the Middle East area of operations and countering piracy in the Gulf of Aden is the focus of Operation Slipper. Operation Slipper has been in action since 2001 and has maintained a naval contribution to the operations in the Middle East. The operation is led by Major-General
Angus Campbell AM, who assumed command on 13 January 2011. General Campbell also leads all forces assigned to Operation Kruger in Iraq. Operation Slipper currently consists of a major fleet unit, the Adelaide class frigate HMAS Melbourne. This is cross-tasked between the United States-led combined maritime forces, combined task forces, 150 (counterterrorism), 151 (counterpiracy) and 152 (Gulf maritime security).

Through Operation Slipper, Australian forces contribute to the North Atlantic Treaty Organisation-led International Security Assistance Force in Afghanistan. The ISAF seeks to bring security, stability and prosperity to Afghanistan and aims to prevent the country from again becoming a safe haven for international terrorists. Australia has a commitment to Afghanistan and operates as part of a peace enforcement mission under Chapter VII of the United Nations Charter, at the invitation of the government of the Islamic Republic of Afghanistan and under the United Nations Security Council Resolution 1833. There are about 1,500 Australian military personnel based in Afghanistan as part of Australia’s approach to supporting global security and Australian national security by countering terrorism and supporting efforts to prevent Afghanistan from being used as a safe haven and a training ground for terrorism.

The combined maritime forces patrol more than 2.5 million square miles of international water, carrying out both integrated and coordinated operations to increase the security and prosperity of the region by working together for a better future. The threat of terrorism is still very real. Terrorists do not play by the rules—they strike anywhere, anytime, usually with deadly outcomes. Additionally, our Navy is playing a vital role in stopping people smugglers at the start of the chain of events which so often lead to the Australian Navy intercepting illegal boat arrivals off the northern coast of Australia. The Royal Australian Navy can be proud of the efforts to date of all its personnel in the Middle East, and I am sure they will continue to play a vital role in the stability of this part of the world for a long time to come.

Debate adjourned.

**United Nations Public Service Day**

Debate resumed on the motion by **Dr Leigh**:

That this House:

(1) recognises that:

(a) 23 June is the United Nations Public Service Day;

(b) democracy and successful governance are built on the foundation of a competent, career-based public service; and

(c) the day recognises the key values of teamwork, innovation and responsiveness to the public; and

(2) commends the Australian Public Service on continuing to be an international model of best-practice public service and providing outstanding services to the Australian community.

**Dr LEIGH** (Fraser) (20:55): I thank the member for Riverina for freeing up an extra two minutes for me with his speedy speaking. The United Nations General Assembly designated 23 June as United Nations Public Service Day. In the words of the UN, it is a day to celebrate the value and virtue of public service to the community. Public servants make an enormous contribution to the Australian community, and as a member for a seat based in the ACT I have the privilege of representing, meeting and working with a large number of public servants. Public servants form a significant portion of my community. In my electorate of Fraser we
also benefit from a continual influx of people moving here to take up opportunities to serve the Australian public. We see this passion for community translated into a great benefit locally, the ACT having higher than average rates of volunteering and participation in sports and recreation—two indicators in which we top the nation.

Very rarely do we stop and appreciate the hard work performed by Australian public servants. Australian public servants have performed extraordinary acts. They headed into flood-affected Brisbane to make sure that people received their government payments, they developed a fiscal stimulus package to get us through the global financial crisis, they are in Australian workplaces making sure that Australian workers have good conditions, they are keeping infectious diseases out of the country and they are finding the most effective way to price pollution to protect our environment. None of these tasks would be possible without a public service to develop and implement policy and programs. We would all still be stuck with old-fashioned ways of running our economy and society if it were not for the public servants who continually review and refine what we do now and develop innovative approaches to public policy. I commend the Crawford School of Public Policy for its work through the HC Coombs Policy Forum in developing better policies.

Australia is at an exciting point in its history. The government is looking to the future to develop policies that will shape our place in the world and the way we look after the most vulnerable. Australians joining the Public Service today have the opportunity to form and influence Australia's future. This ties in with another aim of UN Public Service Day, which is to encourage young people to pursue careers in the public sector. Every year thousands of young and not-so-young people move to the ACT to take up jobs as graduates in the Australian Public Service. I encourage all young Australians to consider a career in the Public Service. In doing so they will be able to help address the challenges of today, and inform the decisions we make for Australia's future.

UN Public Service Day is also a time for us to reflect on and recognise that an efficient and effective public service helps to achieve international goals as well as national ones. The Australian Public Service is one of the most efficient in the world, which is how we are able as a medium sized power to have a strong voice in the international community. One of the things that Australia does best as part of our foreign aid strategy is assist countries such as Papua New Guinea, the Solomon Islands and East Timor set up transparent and accountable public services. Knowing our foreign aid dollars will be managed for the benefit of the entire community is important, and we also know that structures of government are a vital part of a robust democracy. Assisting with good governance is of long-term benefit in our region.

Successful nations are underpinned by successful public sectors. Those nations that were most successful in the last century were so successful because they had a capable public sector. In fact, progress as a nation is virtually impossible without a committed public service. It is vital for our region that Australia continue to be an example and provide practical assistance to those countries most in need. We are fortunate in Australia to have a public service offering frank and fearless advice to governments of all persuasions, and it is time we all took a moment to thank our hardworking public servants.

Debate adjourned.
GRIEVANCE DEBATE

Debate resumed.

The DEPUTY SPEAKER (Ms Vamvakinou) (21:00): The question is: That grievances be noted.

Macarthur Electorate: Infrastructure

Mr MATHESON (Macarthur) (21:00): I believe that one of the most important roles I have as a member of parliament is to listen to the needs and concerns of my community and then work tirelessly to address these issues and do whatever I can to make Macarthur a better place for all my constituents to live in. This why I recently distributed Macarthur’s Biggest Survey to every household in my electorate. I have received a great response from many residents—families, seniors and small business owners—in the Macarthur region. Almost 2,000 surveys have been returned so far, which is great because it means I am able to see and hear firsthand the needs and concerns of my community and do what I can to address these issues. Firstly, I would like to take this opportunity to thank everyone who has taken the time to fill out their survey and send it back. I would also like to remind other residents that they can still do so.

Along with my staff, we are still working very hard to process all the data from these surveys, but I can safely say that the two major issues raised by residents in Macarthur have been the Labor-Greens toxic carbon tax and the need for better infrastructure in the region. Touching on infrastructure, this includes upgrades to our roads, public transport system, hospitals and recreational facilities; access to education; and more employment opportunities within the region. One of the biggest concerns raised so far is the rapid growth of housing developments in our area, with no accompanying investment to enhance the level of infrastructure, particularly roads, parking and public transport. Locals would also like to see more facilities for youth, such as recreational parks or centres, and more training opportunities for employment. These are great suggestions considering that many of the new housing developments in the region will primarily be homes for young families. The people of Macarthur are on the pulse with these issues and are well aware that the population is expected to double in the next two decades. The Camden Local Government Area alone is predicted to balloon to a massive 390 per cent by 2036, with about 250,000 more residents moving into the area. This compares with 62 per cent growth in Wollondilly and 59 per cent for Campbelltown.

It is vital that the infrastructure required for new and existing residents in my community be provided before the growth occurs so that my electorate remains strong and resilient as it grows. That is why I was very surprised to see that Macarthur had been so neglected in this year’s federal budget. But, luckily for the people of Macarthur, the New South Wales state Liberal government is working hard to improve infrastructure in our region to ensure that present and future residents have adequate infrastructure and services to support this growth. This year’s state budget included $26.6 million to continue the Campbelltown Hospital redevelopment; $29 million to start the upgrade of Camden Valley between Ingleburn and Raby Road; $9.5 million to complete planning for the upgrade between Raby Road and Oran Park Drive; $900,000 to start the M5 Motorway upgrade between King Georges Road and Camden Valley Way; $393,000 for the Camden Court House upgrade; an upgrade of Picton...
Railway Station; $37.8 million for a priority sewerage program at Appin, Bargo, Buxton and Wilton; $5.4 million for 85 more nurses in south-west Sydney; $3 million to purchase land for new accommodation for people with disabilities in Campbelltown; $214,000 to build a new entrance to the Dharawal National Park in Appin; $11.8 million for road and program funding; $11.6 million for further Picton Road upgrades; and $6.4 million for more subacute mental health services. You can see that the state Liberal government really are kicking the can. The budget also includes a $30 million boost to its Local Government Infrastructure Renewal Scheme, which helps councils with the borrowing costs on loans to address infrastructure backlogs.

First home buyers in Macarthur will also be $19,245 better off when they buy a new home under the new Building the State package to boost housing construction. This will also promote job creation and stimulate the local economy across the region. With so many homes now being built in Macarthur, this will be a great incentive to help young people buy their first home in my electorate. It will also encourage those from outside the area to build their new home in one of the many new estates in Macarthur such as Oran Park Town, Gregory Hills, Spring Farm, Camden Estate and Ridges Estate in Elderslie.

I thank the member for Wollondilly Jai Rowell, the member for Campbelltown Bryan Doyle, and the member for Camden Chris Patterson, for their hard work to support the people of Macarthur through their budget. It is interesting that all this investment has come after we got rid of a Labor government that invested nothing, or very little, in the Macarthur region over a 16-year period. I know that those local Liberal members fought hard for their communities and it is great to see the Premier and the New South Wales Treasurer funding so many projects across my electorate. Money spent on improvements to Macarthur's roads and public transport will help local communities plan—important, given that more than 75 per cent of Macarthur's population leave the area and commute to work on a daily basis.

I have already mentioned in parliament the need for more employment lands in Macarthur so that people can live and work in what I consider to be one of the best places in the world. Until these employment lands are generated, we need adequate roads and public transport options for residents in my community who spend up to three or four hours a day commuting to and from work.

Macarthur is a fantastic place to live and anything we can do to improve the life of residents in my community, especially when it comes to more time spent at home with their families, is a good thing. That is why I am very pleased to see the New South Wales government pouring so much funding into Macarthur's roads and public transport. The state budget also caters for major population growth in south-west Sydney, with $397 million set aside to continue work on the South West Rail Link between Glenfield and Leppington and $900,000 to kick start the widening of the M5. The South West Rail Link will be a major piece of public transport infrastructure for the south-west growth centre, connecting an existing CityRail network at Glenfield to the new train station at Leppington. This will provide another option for commuters from the Camden and Wollondilly areas who currently use Narellan Road to access train services from Campbelltown. The upgrades to Camden Valley Way and the South West Rail Link will take cars off Narellan Road and help to ease the congestion experienced by many motorists during peak hour times. This was another important issue brought up in Macarthur's Biggest Survey. I am constantly approached by
residents in my electorate who want to vent their frustration about our local roads. That is why I think the state government's commitment to Macarthur's roads and infrastructure is a fantastic thing and vital as Macarthur's population continues to grow.

Macarthur faces several high-priority infrastructure projects over the next two decades. These include better connectivity and access on our roads; better public transport, including commuter parking; development of employment generating lands for those that live and work in Macarthur; improved health, education and community facilities and services, such as upgrades to our hospitals, the university, TAFE, ambulance and police stations; better recreational facilities; access to water and sewerage; and better internet connection. The Spring Farm Parkway extension and the connection to the Hume Highway, including on and off ramps to the Hume Highway at Menangle, are also high priority.

The funding provided by the state government towards some of these projects is a great start in dealing with the high-priority infrastructure needs identified for Macarthur, although I am sure many would agree that federal funding is also needed to support this growth. This funding is distinctly lacking. I am sure it can be appreciated that, with a forecast of 300 per cent growth in the next two to three decades, it is vital that a region-wide strategy is developed for Macarthur to deal with the expected population boom. I believe that all three levels of government must work together to establish this plan for our community's future. I am sure that, with good planning and collaboration to secure resources, we can turn the challenges of growth into opportunities for economic prosperity, social equity and environmental enhancement—all crucial in determining our quality of life. A major factor we must deal with as Macarthur's population continues to grow is infrastructure: planning for it, securing the resources to pay for it and ensuring that it is delivered on time in the right place and on budget—something this government has problems with.

Along with many Macarthur residents, I am pleased to see that the New South Wales state government has funded these important infrastructure projects and hope to see more federal funding poured into the region over the next two decades to support this growth. I also look forward to hearing from more residents in my community as returns from Macarthur's Biggest Survey continue to be returned to my office each day. It is vital that I hear from the people of Macarthur first-hand so that I can continue to fight for the infrastructure we need to make Macarthur a great place to live for many generations to come.

University of Western Sydney

Broadband, Communications and the Digital Economy

Mr HUSIC (Chifley—Government Whip) (21:09): A few months ago I was given the honour of addressing the graduating students of the schools of engineering, computing and mathematics from the University of Western Sydney. It was special on a number of fronts. UWS is a university I was proud to graduate from back in the early 1990s, but it occupies a valued place in our region for this formidable fact: more than half of all commencing students from UWS are the first in their family to attend university, and certainly that was the case in my family. And I am enormously proud of the fact nearly 8,000 students from across UWS campuses, a record 23 per cent of total enrolments, come from lower income backgrounds. This institution has positively and profoundly shifted the futures of so many in Western Sydney.
The other reason that I was pleased to be there was because of the potential that sat in that room. They were young people, eager to get their hands on their degrees, but they will be the people who will be at the forefront of our nation's response to the major challenges demanding our intellect and imagination, the people who, for instance, will be opening our eyes to better ways of wisely using our energy resources and assets, who think of ways to move people more freely across urban landscapes within the infrastructure they may help design and construct and who will also help to connect us across cities and continents. The development of IT skills in Western Sydney and the opportunity for our region to lever off the early rollout of the NBN in our area is truly exciting. As I reflected in my UWS speech, so much of our lives will rest on the pulse of light travelling down optic fibre, that signal that travels through the air or bounces through our homes and workplaces—that pulse, that vessel for data, the lifeblood of the internet, transforming societies in the way that it travels quickly.

I recently read that radio broadcasts took 38 years to reach an audience of 50 million people, TV took 13 years and the internet took just four. In the electorate I am proud to represent, the NBN is starting to reach westwards from Blacktown, dragging suburbs out of the broadband dark ages. With it, residents and businesses will have the chance to reap significant transformative benefits. I have previously quoted the stats. I will quote them again. According to research commissioned for Google by Deloitte Access Economics, the direct contribution of the internet to our economy is predicted to bloom seven per cent over the next five years, increasing from $50 billion now to $70 billion. As 20 per cent more Australian homes get connected to the internet in that time, the value of the net will bump up our economic growth by one per cent. That was reinforced by some terrific work authored by leading forecaster and researcher, IBISWorld Chairman, Phil Ruthven, in a recently released report, *A snapshot of Australia's digital future to 2050*, undertaken for IBM Australia and New Zealand. The report contained the outstanding figure that, for this year alone, ICT enhanced by emerging high-speed broadband and online information is expected to deliver a phenomenal $131 billion in Australia. Based on this report, by 2050 this could ramp up to $1 trillion. The report bluntly states:

Broadband is now one of the core economic indicators across the world, and is considered a human right by the United Nations. … High-speed broadband has pervasive usefulness that extends across businesses, governments, households and individuals.

Getting high-speed broadband is one thing; extracting the most from it and developing our digital economy is the next exciting challenge. We are seeing some terrific investment by the sector in Australia, with direct benefit to our region, Western Sydney.

Two weeks ago, Minister Stephen Conroy officially opened Hewlett-Packard's Aurora data centre at Eastern Creek. I congratulated David Caspari, HP's South Pacific managing director, on his company's $200 million investment in our region and our nation's ICT future, an investment that will facilitate, for example, the growth of cloud computing in this nation. The benefit of cloud computing cannot be understated, according to work commissioned by the Australian Information Industry Association, which said that embracing cloud computing across 75 per cent of ICT spending would result in an increase in long-run economic growth of GDP, after 10 years, of $3.32 billion per year. According to the AIIA, the report shows that Australian businesses across many industries could reap substantial benefits through reduced capital and labour costs by adopting public cloud services. So Western Sydney, through HP's investment, is placed firmly at the forefront of this tech development.
I would also hope to see greater ICT research and development in Western Sydney, potentially through the establishment of cooperative research centres established within UWS. These, along with other developments, will help us to powerfully expand our contribution to Australia's digital economy. It is worth noting that one of our government's aims through the National Digital Economy Strategy is that, by 2020, Australia will be among the world's leading digital economies, aiming, for example, for Australia to be in the top five OECD countries in relation to the proportion of businesses and not-for-profit organisations using online opportunities to drive productivity improvements, expand their customer base and enable jobs growth. This is a mighty agenda. It is doing what is absolutely right for the nation's longer term interests by leveraging off our investment in renewing in its entirety our country's technological infrastructure but also by taking advantage of our relative economic strength to make this investment now and open opportunities for businesses large and small.

This agenda reflects a recognition by this government that long-term social and economic benefit requires a deep and thorough commitment today. Reflecting that, I am pleased to advise the House that today we established the Labor Digital Economy Group, comprising members and senators from the federal parliamentary Labor Party. The group has attracted strong support and interest within our caucus. It will help to provide a focus on initiatives to advance the interests of the sector within policy-making circles. In working with the sector this group will also help with issues like ICT skills shortages, which need to be addressed now if we want to ensure that we get the full benefit from our investment in superfast broadband.

Elsewhere, I have pointed to the work of the Australian Computer Society, which has flagged serious concerns about skill needs in the ICT area. We are confronting major shortages in ICT industry professionals, which is compounded by contracting ICT university enrolments, reduced skilled migration, an ageing workforce and community misconceptions about the opportunities and rewards associated with ICT careers. Alan Patterson, from the Australian Computer Society, said:

The critical role of ICT professionals in enabling our digital economy means that the highest policy priority must be directed at education and workforce planning.

To give you a sense of that pronounced decline, the ACS points to the VET sector, where a decade ago 75,000 people received an ICT qualification. By 2010, that had declined to 46,000. So, given the statistics, it is no surprise that the 457 visa grants for the information, media and communications industry grew by 49 per cent between 2011 and 2012, to 30 April 2012, compared with the same period in the previous year. This industry comprised 12 per cent of the 457 program over that period, and three specialist ICT occupations feature in the top 15 users of the 457 program, with developer-programmer the second-most-sponsored occupation. We have been presented with a massive opening where we can encourage young Australians to enter this sector and meet an urgent need. Having Skills Australia tasked to develop sector-specific plans will be critical, helping funnel students through vocational and tertiary pathways.

Taking a step back, we should think laterally. For example, we have made a great investment in trade training centres across the country. Located in secondary schools, these centres are helping meet skills needs as flagged by industry but they are also finding a way to capture the interests of students to maintain their schooling, putting them on a course that
could enormously boost their long-term employability. In my area, they have been enthusiastically embraced, with a number of schools opening up these centres. In an electorate where roughly one-third of residents are under the age of 19, a demographic that consumes and adopts technology with remarkable ease, this is an opportunity too good to pass up. In Western Sydney, having trade training centres focused on ICT skills would provide terrific vehicles to open up pathways into VET or tertiary study, which is something I have already discussed with Minister Peter Garrett and I am hoping to progress in the months ahead.

I want to end with these words from Andrew Stevens, IBM's managing director for Australia and New Zealand, who said:

To make this digital future a reality, businesses and government must decide how best to leverage our increasingly ubiquitous digital infrastructure, and how to help Australia shift from a natural resources-dependent economy to a more diverse ‘developed resources’-oriented economy.

We need to confront this challenge and champion this sector to make sure we remain one of the world's smartest nations an innovative country with a richer, longer term future for our community and our economy.

### Regional Development Australia

**Mr NEVILLE** (Hinkler—The Nationals Deputy Whip) (21:20): Tonight in this grievance debate I speak about regional development in Australia, or perhaps the lack of it. That will lead me into the old area consultative committees and the current RDA committees. Before we talk about regional development we need to define it. The greatest sins committed in regional development today are the sins of lack of definition. Governments of both political persuasions and particularly the current government have this trick of funding metropolitan capital city funding out of a regional development fund.

The very word 'regional' in itself denotes something outside our capital cities. We have in Australia a federal system. The centrepiece of the federal system is Canberra, as the national capital. Each of the states which up until 1901 were autonomous had a capital city, and out of that capital city came the organisation of that state. Then hubs built up. Queensland, for example, in its modern context has hubs around places like Cairns, Townsville, Mackay, Rockhampton, Gladstone, Bundaberg, the Fraser Coast down to the Sunshine Coast, west to the Darling Downs, the central west and the north-west.

To my way of thinking, what is not fairly described as regional is the capital city itself and those extensions of the capital city. For example, I would not define Brisbane, Ipswich, the Gold Coast, Newcastle, Sydney—some would even argue Wollongong—Melbourne, Geelong, Perth, Fremantle and so on as being regional because, clearly, they are not. In Queensland, depending on whose measure you use, we have 12 or 13 regions. Regional development should focus on those and on the interaction between the hub provincial city and its immediate hinterland, and between that hinterland and its hub city. There is variation—including the area you come from, Mr Deputy Speaker Scott—in the mid-west, the south-west and the north-west, where you do not necessarily have a provincial city but a network of provincial towns. Those to me are regions and that is where the government's focus should be. Clearly, it is not.

If we look at round 2 of the Regional Development Australia Fund we can see that in Queensland, where $33½ million was allocated, that $13 million went to near-metropolitan
areas—that is over a third. In Victoria there were a number of major projects in and around Melbourne, and of the $66 million that was spent $23 million went to the capital city. Having said that, I do not want to be characterised as criticising projects in the capital cities. They are well and good and there is a place for them in government funding, but it should be defined as that. It should be defined as urban renewal, streetscape redevelopment and so on. Do not take it out of the bucket of regional development and leave the rest of the state poorer for that. That would be the first area that I would come from in trying to get a better concept of regional development.

I do not particularly want to politicise this, but it is quite clear, when you look at regional development moneys that have been spent and allied forms of regional money in things like health and infrastructure, that pet projects for the current government get a very good run. For example, the Auditor-General found that of the $200 million allocated through the RDA, 70 per cent was funnelled to Labor or Independent MPs' electorates. That is not just on the boundaries; that is a heavy bias. In fact, I could do everything I need to do in the electorate of Hinkler on one grant that has gone to New England or to Lyne or to Hobart, no doubt allocated in the name of the electorate of Denison. That is not how regional development should occur.

The system we have at present, which requires that you have a turnover of $1.5 million to qualify, pretty well limits the scheme to local authorities. In some areas that is well and good, and I am not criticising local authorities for administering those sorts of funds, but I just wonder who else can qualify. I racked my brain and could see only two other groups that might qualify. One would be large not-for-profit charities, which might have a $1.5 million turnover in a particular area, and the other would be large sporting clubs, and then you would argue: 'Why do you need to provide subsidies to large sporting clubs that have poker machines and the like?' So the number of people who can apply is very limited. Regarding local hockey clubs or normal football clubs—I am not talking about interstate football clubs or one of the national competitions; I am talking about the next tier down—there would be very few that would ever get up to $1.5 million, so they are excluded.

Senator Barnaby Joyce suggested in a speech recently to the ALGA that he would like to see a tiered type project for RDA funds. The first tier would be allocated to local government to fund development or improvements in social infrastructure within communities so that government areas could get some form of funding. The second-tier approach would be to have a competitive fund for the purpose of larger projects with real economic drivers for a particular area. I go along with that, but I would add two more. The third should be another fund for community organisations, other than the ones we have been talking about—the larger ones and the councils—where not-for-profit and charitable organisations and perhaps sporting bodies and civic bodies could apply for grants of up to, say, $100,000 or $150,000. At present, they are pretty much starved out of the picture. The fourth area—and I argued this point vehemently with the previous minister, Minister Albanese, in good spirit, I might add—is that we really need a seed fund for regional development where projects costing $2 million, $3 million, $4 million or up to perhaps $6 million can get seed funds of somewhere between $250,000 and $750,000, as was the case under the sugar package and the old ACC projects. You find that when government comes in at that level you get a more amenable reaction from the banks and you get projects building up in provincial areas that can employ 25, 50 or 100
people, so you put an economic impetus into the town. So regional development still has a long way to go. While I think there are some good points in the RDA program, I think it falls well short of what is required in regional Australia.

Canberra Electorate

Ms BRODTMANN (Canberra) (21:30): Since becoming the member for Canberra, I have occasionally heard mutterings from some sections of the media who think the ACT would be better off if our two federal seats were what they call 'marginal'. They complain that only marginal electorates are given a fair go, that so-called safe seats are forgotten and left to waste as their marginal neighbours swell under the weight of new roads, new health services and new community facilities. They jokingly say the ACT needs marginal seats, believing that the two major parties jostling over an electorate is the only way to get investment.

But the grass is always greener on the other side. As the member for Canberra, I find it quite unbelievable to suggest the ACT does not get its fair share of investment simply because our seats are not classified as marginal. In fact, I think it is somewhat insulting to voters in the ACT as well who I know are very politically active and sensitive to the way our government functions and makes investments. In fact, as we know, we have the most highly educated population in the country here in the ACT. Whenever I go out and talk to constituents through community forums or through mobile offices I always joke to members of the team and say that I am talking about the policies to people who probably helped us write them. They are an incredibly intelligent group of people and they have a very astute awareness of how politics works and are very politically active.

Like every other member in this place, I work hard to deliver for my constituents, the people of my electorate, in Canberra. I do my best to ensure that their voices are heard on a federal level and often at a local level as well. I make constant representations to ministers on their behalf and I push hard for greater investment in our community, from education to infrastructure.

Tonight I want to outline some of the ways that Labor have been investing in Canberra since we came into power in 2007, because the ACT has benefited from a number of major investment projects and programs. Just last week local community organisation Marymead in Narrabundah in my electorate received a $197,000 grant to complete an evaluation of its Circle of Security program where it works with infants, young children and families at risk of abuse and neglect.

Investment in ACT roads has skyrocketed under Labor, with $144 million invested in the Majura Parkway project, a project that will benefit the entire ACT and region. The Majura Parkway will seamlessly connect the Federal Highway to the Monaro Highway and will ensure that both sides of the ACT are linked from north to the south for the first time ever. It will help relieve traffic congestion and provide better access to the Majura Valley. It will enable the better movement of traffic from the north side to the south side of Canberra on the other side and it will provide other benefits like better fuel consumption and the reduction of greenhouse gases into our environment.

As well as the Majura Parkway project there is the Monaro Highway upgrade, due to be completed in early August 2012. Labor has invested $18.5 million in the Monaro Highway upgrade, which will improve traffic safety, congestion and travel times around Canberra and
ensure continuous duplication of that highway for the first time in 40 years. There are also upgrades to dangerous black spots. In fact, the Canberra electorate has received $3.6 million to fix 25 black spots around the electorate since Labor was elected in 2007.

When it comes to health, Labor is making some very important investments here in Canberra. There is the $29.7 million invested by Labor to build a new regional cancer centre at Canberra Hospital. This cancer centre will expand the services currently provided by the Canberra Hospital and provide them to the region as well. It will improve treatment in the ACT by drawing together and integrating cancer services, including chemotherapy, radiation therapy, haematology, immunology, research and teaching programs, within a single five-storey building on the Canberra Hospital campus. The recent budget committed $1.3 million for a chair in plastic craniofacial surgery and the extension of the National Bowel Cancer Screening Program, which Labor has invested $49.3 million towards and which will benefit the over-50s in our communities—more than 10 per cent of the population in my electorate of Canberra. There is the GP superclinic, a $15 million commitment that is well underway which will provide multidisciplinary healthcare by teams of health professionals from hub sites in north Gungahlin and Belconnen and from an existing spoke site in Tuggeranong, in Calwell.

Turning now to education; the capital region is one of the most highly educated regions in Australia, as I have said, and benefits from world-class educational facilities. Investing in education is fundamental to Labor's DNA, and the ACT gets its fair share of education federal funding. Some of our most recent educational investments here in Canberra include $131 million for 136 Building the Education Revolution projects in Canberra, benefitting 67 schools. This includes 17 new libraries, 23 multipurpose halls, and 29 covered outdoor learning areas, among other investments. Every school, every parent and every student I have spoken to loves the BER program here in Canberra. They love the investment, and they love what it has done for their school. Many of the schools have had their P&C fund—raised through lamington drives, chocolate drives and sausage sizzles—freed up and now they can spend it on other projects such as gardens and other facilities.

As part of Labor's $2.4 billion Digital Education Revolution, 8,500 computers have also been installed in 23 schools. Twenty-two schools in the Canberra electorate are benefitting from the National School Chaplaincy Program and the Student Welfare Program.

Labor's Trade Training Centres are helping more and more students make the shift from school to work. Here in Canberra we have invested $5.7 million in the Canberra Region Pathways Trade Training Centre at St Mary Mackillop College, St Clare's College and two other schools on the north side, and $8.1 million in the Tuggeranong Sustainable Living Trade Training Centre.

And as we head to toward the Centenary of Canberra celebrations next year, Labor is investing in our nation's capital and our national institutions. In the recent budget there was $11.9 million for the National Capital Authority to ensure it can play its role in the lead-up to the centenary in 2013. Due to this vital funding, the NCA can be better placed to prepare and review heritage management plans, conservation and maintenance programs, restoration, and interpretation. This will position the NCA to fulfil its asset management responsibilities such as civil infrastructure maintenance on roads, paths, street lights and bridges.

In the budget Labor also committed $39.3 million in supplementary funding for our national collecting institutions so they can continue their important work as the custodians of
some of Australia's most important artefacts and artworks. This is in addition to $83.5 million to fund a program of initiatives to commemorate the 100th anniversary of the First World War and the Anzac Centenary. There is $20 million for the National Arboretum, $42 million for the Constitution Avenue upgrade and $2.5 million to install better lighting at Manuka Oval.

These are just some of the more recent investments being made in my electorate of Canberra and more widely throughout the capital region. To those who think Labor has neglected the ACT due to the relative perceived safety of its seats, I suggest that you consider the alternative, because, rather than promise to invest in our nation's capital, those opposite propose to slash services and cut jobs instead. They have no vision for Canberra other than to use our hardworking public servants to fill their $70 billion black hole. Their plan is to cut 12,000 jobs—that we know about—with many more also facing the chop. We are getting mixed messages on this. Every time I meet with someone from the coalition there are another 5,000 jobs cut. I go back to what the member for North Sydney said in May this year in an interview. The question was: 'So you'll cut 20,000?' Answer: 'We will cut the Public Service'. Question: 'By 20,000?' Answer: 'We've already said that'. When we look at what the coalition propose for Canberra, it is not pretty. I ask Canberrans to think back to 1996 when jobs were lost, shops closed, businesses closed, house prices plummeted and people left town. There is a stark contrast between Labor and the coalition when it comes to Canberra. Labor will always support our Public Service. We will always invest in health. We will always invest in infrastructure. We will always invest in education. We have done so already. Our record speaks for itself. Labor is the best thing for Canberra.

Child Care

Mr CRAIG KELLY (Hughes) (21:40): On this late evening, I rise to discuss a very important issue to my neighbours across the seat of Hughes: the childcare industry, an industry which plays a critical role in Australian society. Occasional, limited-hours, long-day and preschool services are all of importance to our children. The experience of attending childcare in the early years often provides a child with their first social experiences and can be an important building block in their development before starting school life. The importance of early childhood education and childcare services cannot be underestimated.

My sister-in-law is a teacher at a local primary school. I have had many conversations with her regarding the benefits of early childhood education. It seems to be common knowledge within the teaching fraternity that children that have an early childhood education in one form or another are more likely to make a successful transition to primary schooling, with many students arriving at primary school already equipped with the basic skills in reading and writing and—equally important—a foundation in social skills and interactions with their peers. This sort of head start is something that all parents want for their children.

That is not to say that there are not many other avenues in which young children can have social experiences. One example that comes to mind is children's swimming lessons. Just like child care and preschool, swimming lessons introduce new experiences to our young children while teaching them valuable lifelong skills. Again, both contribute important features to our children's development.

However, some families are in need of greater flexibility than they are able to receive currently from their local childcare providers. We know that the latest census and ABS data
tells us that improving female participation in the workforce is very much dependent on accessing affordable child care. Our challenge is to provide parents with a system that is less rigid and more flexible and provides as much choice as possible. For these reasons, the coalition is calling for, and has been joined by the childcare industry in calling for, a productivity review to find ways for parents to access more affordable and more flexible models of child care and to enhance the support provided to this critical industry.

I recall when my daughter attended the local preschool at Alfords Point before entering primary school. This was a great opportunity for her to spend time with new people and new friends aside from the neighbours and cousins that she had spent her early years playing with. It was an experience that has left her with lifelong friends and sparked a love of learning. She is currently studying at university, but I bet that, if I asked her where it all started, she would say, 'At preschool.'

However, my son, unfortunately, never had these opportunities. This is one case where a system with no flexibility can exclude those that need the most nurturing and care. That is something that I will continue to fight for every day of my life. But I must thank organisations such as the Autism Advisory and Support Service which step up and offer some of the social and interactive benefits of child care for children who would otherwise fall through the cracks. Helping children with special needs to receive a similar experience through their sensory playgrounds and inclusive programs is something we should commend the Autism Advisory and Support Service for.

Knowing how important the childcare industry is to the future of Australia, I have endeavoured to visit as many childcare centres as I can, dotted around the seat of Hughes. I always look forward to these visits, as the childcare centres in Hughes are fun places to visit. They are places of fun, laughter and learning. It is not hard to leave these visits with a smile on my face.

Most recently, I visited the Bullfrog Children's Centre, in Engadine, where I was lucky enough to be asked to read to the children before their nap time. Seeing the wonder in these children's faces as they went about discovering their world was a memorable experience. Another visit that sticks in my mind was a stop at Inaburra Preschool, in Bangor. I was able to speak with the many staff as they expressed to me how much they enjoyed going to work every day and being given the opportunity to foster and develop young minds and talents. It was also great to see the thirst for knowledge that many of these children already have at the ages of three and four.

A great example of the wide variety of activities and learning possibilities provided was a fun run I attended at Gumnut Childcare Centre, also at Engadine. This sort of innovation from the centre is what we as parents rely on when we place our most valuable possessions in their care. It is impossible to visit these places of early learning and not be of a mind that these services are invaluable not only to the mums and dads who are at work but also to the future of Australian society. These children are the leaders of tomorrow and they deserve the best we can give them.

It is because of this philosophy and my own personal experience that I find the new reforms to the childcare industry an attack on our future and our children. There has been some mixed opinion among local operators but there was consistency in one particular element, and that was the failure of consultation on the reforms, particularly on the ratios of
carers to students that have generated such an upheaval in some centres while only marginally affecting others. I was contacted by one childcare operator who put it bluntly—because of the changes to the ratios they would either have to increase their fees or reduce the number of places available. Labor's reforms have had the impact of effectively removing a childcare centre from the suburb of Engadine while doing nothing to combat the waiting lists that already exist.

I was also contacted by a constituent from the Menai area who has been fighting to get her youngest daughter into a preschool. This working mother of three had spent untold hours contacting centre after centre, trying to get the best place for her daughter, only to be told by several centres that no new enrolments could occur because of the new ratio regulations brought in by the Labor government. These reforms will have a knock-on effect. They will reduce the spots available in the community and they will force families who are already struggling with rising costs of living and the looming spectre of the carbon tax to make difficult, no-win decisions. Parents willing to work will be forced to stay out of the workforce, ultimately depriving their children of an early childhood education.

On the other side, I have also heard from operators who have run foul of the great tangled mess of regulations Labor is forcing on this industry. Most recently, a childcare centre in the Liverpool area contacted me to explain how for months they had been trying to obtain a copy of new regulations that the government had promised to send them but it had never left the warehouse. As the deadline was approaching for the new operations and they were making their plans, they could not finalise things. If the government cannot organise a courier to deliver something on time, how can we trust it to know what is best for our children?

The most compelling argument I have heard on this issue is that things such as child ratios are best placed in the hands of individual childcare centres and not determined by the arbitrary fist of bureaucratic regulation. Even those who have already made the choice to voluntarily operate on the lower teacher-student ratio which has been imposed feel that they were best positioned to make such determinations on staff capability, competitive advantage considerations and the needs of the local community.

Early childhood education centres and childcare centres act as a hub for the greater community and as a place where people can meet to share their experiences, ideas and wisdom with other parents and teachers. Every one of these centres is unique; every one of these centres is slightly different. This is because they know how best to provide for the individual needs of the children and the parents in the local area who need their services. But this big heavy government approach of setting and mandating ratios will quash much of this individuality, and you can be sure it will be the children who lose out the most.

We see in these reforms the mindset that Labor governments know best. But, as we have seen time and time again, nothing could be further from the truth. This is the same mindset that gave us pink batts and the BER, and now the government is trying to ram these regulations down the throats of the childcare industry—a truly scary thought.

**Taxation**

Mr OAKESHOTT (Lyne) (21:49): I rise tonight to talk about tax reform and progress on various aspects of tax reform in Australia. Several years ago Australia's future tax system was put under review, led by former head of Treasury and Taree-born-and-bred man, Ken Henry,
someone I hope remains highly regarded across this chamber for his work with governments of all persuasions. There were 125 taxes identified in that report, four of which do 90 per cent of the work in the Australian tax system. There were therefore question marks raised about the role of the other 121 and whether there was a better way to model our tax system for the future. Unfortunately, certain aspects of that review were not implemented. Agreement could not be reached in the parliament on certain taxes. Agreement could not be reached between the Commonwealth and the states on a path through to deliver on a range of recommendations from that review.

When the 43rd Parliament was formed, as part of a supply and confidence agreement, tax reform was put on the agenda, as a reflection of frustration that the very good Henry work had not been picked up in the spirit in which it was intended—which was to look at reform in globo and to set a path to deliver a range of reform to Australia's tax system. As part of the agreement, a tax forum was agreed to between government and crossbenchers such as me. In October last year, that tax forum occurred and it had many successful elements. The one example I will use tonight is the formation of the Business Tax Working Group, under Chris Jordan. As everyone who follows tax would have seen in this year's budget, a new small business option in taxation, known as loss carry-back, was introduced to the suite of options for small business, as a direct result of the good work from the Business Tax Working Group, as a direct result of the tax forum that occurred in October last year.

Having said that, when the minerals resource rent tax negotiations were going on towards the end of last year, again on the back of the Henry recommendations, at my end, for support for that legislation, three issues were negotiated. One was action by government with regard to coal seam gas and large-scale mining, and I am pleased to see that legislation has now made its way through the House of Representatives and hopefully will make a significant difference in land use planning, particularly in productive areas. Another was the formation of a food, soil and water cabinet committee. The work of that committee has been ongoing, and more than likely the committee will be reporting to the Prime Minister over the coming month on a works program looking at issues in regard to, particularly, soil security, which was an issue at the Rio+20 international conference, which I am pleased that the Prime Minister went to. There has been a rapid loss of topsoil globally and nationally, and how we get the issue of soil security, and the production of food and the protection of biodiversity in light of the rapid loss of topsoil, onto the agenda of all governments is an important part of that work, as well as the linking horizontally of issues such as the whole new climate change package to the rebirth of the agriculture sector, to food, soil and water. So that work is progressing.

What seems stuck in the mud is the third commitment, and that is this issue of state tax reform and this deafness in the relationship between the Commonwealth and the state on the minerals resource rent tax and its relationship to royalties. If we go back to Ken Henry's report, it clearly stated that it would only work if there was a negotiated agreement between the Commonwealth and the states. His words were explicit. The review was explicit in stating that the introduction of a national resource rent tax is sensible but it is not to be done without negotiated agreement with the states. There has to be this agreement reached as to the relationship between a new and valuable and welcome resource rent tax—an agreement reached with the states on how to retire royalties and have the states working in with this new tax that has been introduced and, preferably, with the reduction or removal of those state
based royalties. Unfortunately, we remain stuck in the mud on this issue. Even after an agreement to have this issue referred to the GST distribution panel, we are looking like not progressing, on this issue of conflict rather than agreement, on getting a better tax system for all.

The arguments for a national resource rent tax are there in Henry, so this is not a whinge about the rights and wrongs of the introduction of a national MRRT. What this is a whinge about is the inability of the Commonwealth and the states to negotiate agreement. I am concerned that it is the first of potentially many state taxes that are not put under the spotlight because of the inability of the Commonwealth and the states to communicate in a sensible way and in the national interest.

We have spent the day on another topic talking about people being in their trenches and not being willing to negotiate in the national interest. That is across party lines in this place. I raise this issue as another example, but one that is of the dysfunction between the Commonwealth and the states to reach an agreement in the national interest. We must find a way to do it.

The GST distribution committee accepted the states' position, in its recent documents, that there is not an argument to somehow dock GST payments to the states or penalise the states for doing what they have done in regard to royalties. The second interim report recently released emphasises that the best way forward is for the Commonwealth and the states to sit down and talk about it and work it out in a negotiated way. So I urge for that to occur.

I also highlight, from this GST distribution review, that anyone in this place, including the Treasurer, who thinks you can decouple GST from broader tax reform is kidding themselves, and that is what this distribution review emphasises again. We need to have governments, at all levels, recognise that, because the GST mix is affected by any state tax reform—any tax reform at all. They are combined. They are linked. We have got to get over the campaigns of the past and start to deal with them as a group of taxes that will contribute overall to tax reform. And they do have impacts, good and bad, across states, if tax reform at a state level is genuinely on the cards.

So whether it is gaming reform and its impacts for states, the MRRT and its impacts on the states or the GST and its impact on the states, I urge this conversation to take place between the Commonwealth and the states if we are serious about tax reform in Australia today for a better standard of living for all.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The time for the grievance debate has expired. The debate is interrupted in accordance with standing order 192B. The debate is adjourned and the resumption of the debate will be made in order of the day for the next sitting.

Federation Chamber adjourned at 22:00.
QUESTIONS IN WRITING

School Education, Early Childhood and Youth, and Employment and Workplace Relations: Credit Card Breaches
(Question Nos 770 and 776)

Mr Briggs asked the Minister for School Education, Early Childhood and Youth and the Minister for Employment and Workplace Relations, in writing, on 24 November 2011:
In (a) 2007-08, (b) 2008-09, and (c) 2009-10, (i) how many corporate credit cards were issued to departmental staff, and (ii) what was the total cost of all transactions made on these corporate credit cards.

Mr Garrett: The answer to the honourable member's question is as follows:
The total cost of transactions on and the number of DEEWR corporate credit cards issued for the financial years 2007-08, 2008-09 and 2009-10 was:

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<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
</tr>
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<tbody>
<tr>
<td>Value of Transactions</td>
<td>$14,624,848</td>
<td>$25,059,252</td>
<td>$22,150,461</td>
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<tr>
<td>Cards Issued</td>
<td>4,670</td>
<td>4,525</td>
<td>4,718</td>
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Notes: Number of cards issued is as at the end of the financial year.
As DEEWR was created in December 2007, the 2007-08 value relates to the period 1 December 2007-30 June 2008.

Electronic Travel Authority System
(Question No. 872)

Mr Morrison asked the Minister for Immigration and Citizenship, in writing, on 16 February 2012:
(1) In respect of the Electronic Travel Authority (ETA) system:
(a) what total sum of revenue has been collected from ETAs,
(b) what sum was generated in
   (i) 2008-09,
   (ii) 2009-10,
   (iii) 2010-11, and
(c) what sum is expected to be generated in
   (i) 2011-12,
   (ii) 2012-13, and
   (iii) 2013-14.
(2) In respect of the contract for the ETA:
   (a) was a competitive tender process used,
   (b) what company was awarded the contract, for how long has it had the contract, when does the contract expire, and is the contract likely to be extended, and
   (c) will he provide a copy of the contract.
(3) What sum of the $20 service fee is retained by the company, and is this sum a set amount or a proportion of the $20 fee.
Mr Bowen: The answer to the honourable member's question is:

(1) In respect of the Electronic Travel Authority (ETA) system:

- the total sum of revenue collected from ETAs from 04 February 2007 to 03 February 2012 is $38,289,140;
- In 2008-09, revenue of $8,020,460.00 was generated.
- In 2009-10, revenue of $7,259,480.00 was generated
- In 2010-11, revenue of $7,090,980.00 was generated
- The amount of revenue to be collected in 2011-12, 2012-13, and 2013-14 is dependant on the number of ETA applicants who utilise the ETA system. Information trends suggest that usage will remain at similar levels over the remaining term of the contract, although a maximum increase of 5.5% per annum has been estimated for planning purposes.

(2) In respect of the contract for the ETA system a competitive tender process was used to select a provider of the required services. SITA Global Services provides access to the ETA system. The original signatory to the contract was CPS Systems Pty Limited. CPS Systems Pty Limited was acquired by SITA Global Services in January 2010 and the contract was novated to SITA Global Services soon after.

The ETA system contract commenced on 04 February 2007 for an initial term of four (4) years, with two (2) options to extend the contract for up to two (2) years for each option. Both options to extend have been exercised by the Department following an assessment and confirmation of value for money consistent with the requirements of the Commonwealth Procurement Guidelines (CPGs). The contract does not contain any further options for extension.

Much of the contract contains information that is commercially sensitive, however an extract of those parts of the contract that concern the ETAS services has been provided for your reference.

(3) None of the $20 internet application fee is retained by SITA. All ETA application fees are remitted to DIAC on a monthly basis. SITA is paid a monthly fixed charge for the provision of ETA system services.

A Schedule 3, clause 4.2:

Revenue

CPS will credit DIAC each Billing Period an amount equivalent to revenue collected in relation to the provision of Internet ETA Services as set out in Schedule 3 Attachment D.

B Schedule 3, Attachment D

CPS Systems

Today's industries. Tomorrow's solutions

| Dept of Immigration & Multicultural Affairs | Invoice: NNNN |
| Passenger Movements Policy Section | |
| PO Box 25 | |
| Belconnen ACT 2616 | |
| ABN: 33 308 056 838 | |
| Attention: Terry Walker | |

DATE: DD/MM/YY

CPS REF:

Questions in writing
Visas
(Question No. 887)

Mr Morrison asked the Minister for Immigration and Citizenship, in writing, on 27 February 2012:
In (a) 2007-08, (b) 2008-09, (c) 2009-10, (d) 2010-11, (e) 2011-12 (to date), how many visas were granted under the Family Visa Options, and for each visa, what number was granted in each (i) onshore and offshore category (specifically subclasses 114, 838, 116, 836, 115 and 835), and (ii) processing times.

Mr Bowen: The answer to the honourable member's question is as follows:

Visa Grants
Table 1 lists the Migration Program Outcome for each subclass and year as requested in the question.

Table 1

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<tbody>
<tr>
<td>Other Family</td>
<td>Aged Dependent Relative</td>
<td>Offshore</td>
<td>114</td>
<td>95</td>
<td>108</td>
<td>147</td>
<td>29</td>
<td>9</td>
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<td></td>
<td></td>
<td>Onshore</td>
<td>838</td>
<td>59</td>
<td>97</td>
<td>56</td>
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<td>205</td>
<td>203</td>
<td>56</td>
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<td></td>
<td>Carer</td>
<td>Offshore</td>
<td>116</td>
<td>602</td>
<td>832</td>
<td>957</td>
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<td></td>
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<td>Onshore</td>
<td>836</td>
<td>166</td>
<td>110</td>
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<td>136</td>
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<td>Total</td>
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<td>942</td>
<td>1,129</td>
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<td>Remaining Relative</td>
<td>Offshore</td>
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<td>1,068</td>
<td>1,037</td>
<td>952</td>
<td>195</td>
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<td></td>
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<td>Onshore</td>
<td>835</td>
<td>371</td>
<td>340</td>
<td>181</td>
<td>41</td>
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<td>1,377</td>
<td>1,133</td>
<td>236</td>
<td>155</td>
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<td>Preferential Family</td>
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<td></td>
<td>(Migrant Family (Residence)</td>
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<td>Total</td>
<td>17</td>
<td>6</td>
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<tr>
<td>Other Family Total</td>
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</table>

*The 2011-12 figure is up to 29/02/2012

# Migration program allocation of places:
2007-08  2000
2008-09  2500
2009-10  2500
2010-11  750
2011-12  1250

^ A cap (under Section 85 of the Migration Act 1958) and queue arrangements (under Section 499 of the Migration Act 1958) have been in effect since 25 January 2011 to manage the continued processing of all outstanding Other Family category visa applications while maintaining grants within set planning levels.

! Subclasses 104 and 806 were repealed as of 1/11/1999 however finalisations of ongoing visa applications in these subclasses after this repeal date are included within the Other Family category.

**Processing Times**

There are no standard processing times for Other Family visa applications. The time taken to assess these visa applications is subject to variation between processing offices depending on the size and composition of the visa caseload at the particular processing office, the priority level of the visas in this caseload, the complexity of individual cases and the response time for clients to provide the necessary information and documentation.

An indication of average times to finalise Other Family category visa applications (which includes finalisation outcomes: grants (including Ministerial Intervention under Section 351, 391, 417, 454 or 501J of the Migration Act 1958) and refusals is provided below for each of the financial years referred to in this question. However, it should be noted that the introduction of cap and queue arrangements has meant that there are a significant number of applications which have been assessed as meeting core visa requirements for the purpose of queuing, but are yet to be finalised pending places in the migration program to proceed to grant. This will have an impact on future data of average processing times once finalisation of these applications (grant) has been completed.

**Visa Type** | **Subclass** | **2007-08** | **2008-09** | **2009-10** | **2010-11** | **2011-12***  
---|---|---|---|---|---|---  
Aged Dependent Relative | 114 | 44 weeks | 44 weeks | 41 weeks | 44 weeks | 69 weeks  
Aged Dependent Relative | 838 | 32 weeks | 30 weeks | 79 weeks | 63 weeks | 7 weeks  
Remaining Relative | 115 | 46 weeks | 52 weeks | 46 weeks | 40 weeks | 74 weeks  
Remaining Relative | 835 | 22 weeks | 36 weeks | 63 weeks | 79 weeks | 111 weeks  
Carer | 116 | 46 weeks | 38 weeks | 38 weeks | 47 weeks | 53 weeks  
Carer | 836 | 23 weeks | 48 weeks | 55 weeks | 58 weeks | 71 weeks  

* 2011-12 program year finalisations as at 29 February 2012

> All grants of Aged Dependent Relative (Subclass 838) visas for 2011-12 to date have been by Ministerial Intervention. No refusals.

**Immigration and Citizenship: Credit Card Breaches**

*(Question No. 912)*

**Mr Briggs** asked the Minister for Immigration and Citizenship, in writing, on 20 March 2012:

In respect of departmental credit card use in (a) 2008-09, (b) 2009-10, and (c) 2010-11, (i) how many times has the use of a credit card breached departmental guidelines, (ii) what was the dollar value of each breach, and (iii) were any employees disciplined for such breaches.
Mr Bowen: The answer to the honourable member’s question is as follows:

The Department currently uses two credit cards, Mastercard for general business expenditure and Diners for travel related expenditure.

All cardholders must understand the responsibilities associated with the use of the corporate credit cards. Employees are required to pass a test on departmental credit card policies before being issued with a corporate credit card. A breach of departmental policies can lead to the card being withdrawn and may also result in serious disciplinary action.

In all but two of the instances of breaches of departmental policies noted below, inappropriate use of the Commonwealth cards occurred due to accidental personal use.

(i) The number of times the use of a credit card has breached departmental guidelines is provided below:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2</td>
<td>5</td>
<td>34</td>
</tr>
</tbody>
</table>

(ii) The dollar value of each breach and the sum repaid in each instance is provided below:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>dollar value of each breach</td>
<td>$5,192*</td>
<td>$145</td>
<td>$298</td>
</tr>
<tr>
<td></td>
<td>$134.50</td>
<td>$116</td>
<td>$170</td>
</tr>
<tr>
<td></td>
<td>$100</td>
<td>$52</td>
<td>$153</td>
</tr>
<tr>
<td></td>
<td>$23</td>
<td>$126</td>
<td>$123</td>
</tr>
<tr>
<td></td>
<td>$88</td>
<td>$74</td>
<td>$65</td>
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<td></td>
<td>$61</td>
<td>$53</td>
<td>$47</td>
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<td>$18</td>
<td>$16</td>
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<tr>
<td></td>
<td>$15</td>
<td>$12</td>
<td></td>
</tr>
</tbody>
</table>
Monday, 25 June 2012

HOUSE OF REPRESENTATIVES

7907

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The single case referred to above in 2008-09 is a case where the employee was formally investigated by the Department, found to have breached the APS Code of Conduct and was disciplined.

**Visas**

(Question No. 935)

Mr Laurie Ferguson asked the Minister for Immigration and Citizenship, in writing, on 21 March 2012:

In (a) 2009-10, and (b) 2010-11, how many rejected carer applications did the Migration Review Tribunal return to his department for reconsideration, where over the previous five years the family had already successfully obtained visa entry for other family members to care for the same Australian based resident.

Mr Bowen: The answer to the honourable member's question is as follows:

The number of Carer Visa (Onshore) (Subclass 836) and (Offshore) (Subclass 116) review applications set aside by the Tribunals in 2009-10 was 74. The corresponding figure for 2010-2011 was 85. The Tribunals are not able to identify if other family members had previously been granted a visa.

**Iran**

(Question No. 959)

Ms Julie Bishop asked the Minister representing the Minister for Foreign Affairs, in writing, on 22 March 2012:

(1) Have all Australian Government sanctions against Iran entered into force.

(2) Is the sanctions regime adopted by Australia fully consistent with the sanctions imposed by the (a) United States, (b) United Kingdom, and (c) European Union; if not, what are the differences.

(3) Has the Australian Government implemented sanctions against the Central Bank of Iran; if so, are these sanctions as comprehensive as those enacted by the

(a) United States,

(b) United Kingdom, and

(c) European Union.
Dr Emerson: The Minister for Foreign Affairs has provided the following answer to the honourable member's question:

(1) The Australian Government has given effect under Australian law to all sanctions obligations imposed by the United Nations Security Council (UNSC) in relation to Iran.

In relation to Australian autonomous sanctions measures (that is, measures applied autonomously of a UNSC obligation), the measures announced by the then Minister for Foreign Affairs on 6 December 2011 and 24 January 2012 are currently subject to public consultation and it is expected they will commence on 1 July 2012. These measures, once in force, would prohibit, without prior authorisation from the Minister for Foreign Affairs:

(a) the import, purchase or transport of specified Iranian crude oil, petroleum or petrochemical products;

(b) the provision of financial assistance or a financial service related to the import, purchase or transport of such products;

(c) the acquisition or extension of an interest in, or the establishment of or participation in a joint venture with, or the granting of a financial loan or credit to – an entity in Iran that is engaged in the petrochemical, oil or gas industry in Iran, or – an Iranian or Iranian owned entity involved in such industries outside Iran;

(d) the sale or otherwise making available of an interest in a commercial activity in Australia that is related to the oil and gas industry to the Iranian Government or an Iranian company or citizen;

(e) the direct or indirect sale, purchase, transportation or brokerage of gold, diamonds or precious metals to, from or for the Iranian Government, its public bodies, corporations or agencies, or the Central Bank of Iran;

(f) the opening in Australia of a branch, subsidiary or representative office of, or the establishment of a joint venture with, or the acquisition of ownership of an Australian financial institution by, or the establishment or maintenance of a correspondent relationship with – a financial institution that is operated by or on behalf of the Iranian Government, an Iranian company or citizen;

(g) the establishment of a representative office or subsidiary in Iran, or the opening of a bank account in Iran, by a financial institution; and

(h) the delivery of newly printed or unissued Iranian denominated bank notes or newly minted or unissued Iranian denominated coinage to or for the Central Bank of Iran.

(2) Australia's autonomous sanctions regime in relation to Iran is broadly consistent with that of the European Union and the United Kingdom. The principal differences between the regimes are:

(a) the measures listed in paragraphs (a) to (h) in the response to question (1), which the European Union and United Kingdom currently impose and which Australia is in the process of bringing into force;

(b) an additional "human rights" criterion applied by the European Union and United Kingdom to designate persons as being subject to targeted financial and travel sanctions;

(c) in relation to the United Kingdom only, a requirement for all financial transactions with Iran to be subject to prior authorisation (Australian law requires authorisation for any transaction with Iran valued at $20,000 or more).

The sanctions regimes of Australia, the European Union or the United Kingdom are not directly comparable to US sanctions against Iran in terms of reach and restrictiveness, including provision under US law for imposing sanctions on third country persons who engage in specific kinds of trade and investment with Iran. Detailed information about US sanctions can be found at www.treasury.gov.
(3) A number of existing Australian measures are of general application and apply to all financial institutions, including the Central Bank of Iran. This includes the requirement under the Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008 for authorisation for any transaction with Iran valued at $20,000 or more. Of the measures expected to commence on 1 July 2012, those referred to in paragraphs (e) and (h) in the response to question (1) above will apply directly to the Central Bank of Iran, and that referred to in paragraph (f) in the response to question (1) above will apply to the Central Bank of Iran in the same way it would apply to any Iranian financial institution. These measures are broadly consistent with measures imposed by the European Union and the United Kingdom.

Immigration and Citizenship: Training
(Question No. 977)

Mr Laurie Ferguson asked the Minister for Immigration and Citizenship, in writing, on 8 May 2012:
Since 1 January 2008, has the Minister’s department contracted Skills Training Australia Pty Ltd, 92 Copeland Street, Liverpool, NSW, to conduct training; if so, for each type of training, what (a) was the purpose, (b) was the duration, (c) sum was charged per participant, and (d) oversights (if any) occurred on the specified outcome, duration and delivery.

Mr Bowen: The answer to the honourable member’s question is:
The Department of Immigration and Citizenship has been unable to identify any records of procuring services from this company.

Families, Community Services and Indigenous Affairs: Training
(Question Nos 981 and 982)

Mr Laurie Ferguson asked the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform, in writing, on 8 May 2012:
Since 1 January 2008, has the Minister's department contracted Skills Training Australia Pty Ltd, 92 Copeland Street, Liverpool, NSW, to conduct training; if so, for each type of training, what (a) was the purpose, (b) was the duration, (c) sum was charged per participant, and (d) oversights (if any) occurred on the specified outcome, duration and delivery.

Ms Macklin: The answer to the honourable member's question is as follows:
(a)(b)(c) and (d) The department has not contracted any services from Skills Training Australia Pty Ltd since 1 January 2008.

Foreign Affairs and Trade: Training
(Question Nos 983 and 990)

Mr Laurie Ferguson asked the Minister representing the Minister for Foreign Affairs and the Minister for Trade and Competitiveness, in writing, on 08 May 2012:
Since 1 January 2008, has the Minister's department contracted Skills Training Australia Pty Ltd, 92 Copeland Street, Liverpool, NSW to conduct training; if so, for each type of training, what: (a) was the purpose, (b) was the duration, (c) sum was charged per participant, and (d) oversights (if any) occurred on the specified outcome, duration and delivery.

Dr Emerson: On behalf of the Minister for Foreign Affairs and me, the answer to the honourable member's question is as follows:
The Department has no record of contracting Skills Training Australia Pty Ltd.
Housing, and Homelessness: Training
(Question Nos 999 and 1000)

Mr Laurie Ferguson asked the Minister for Housing and Minister for Homelessness, in writing, on 8 May 2012:
Since 1 January 2008, has the Minister's department contracted Skills Training Australia Pty Ltd, 92 Copeland Street, Liverpool, NSW, to conduct training; if so, for each type of training, what (a) was the purpose, (b) was the duration, (c) sum was charged per participant, and (d) oversights (if any) occurred on the specified outcome, duration and delivery.

Mr Brendan O'Connor: The answer to the honourable member's question is as follows:
(a)(b)(c) and (d) Please see the Minister for Families, Community Services and Indigenous Affairs and the Minister for Disability Reform's response to questions 981 and 982.

President of Gabon
(Question No. 1009)

Ms Julie Bishop asked the Prime Minister, in writing, on 9 May 2012:
In respect of the Prime Minister's meeting with President Bongo of Gabon, (a) was she aware of allegations of corruption and human rights abuses before she agreed to meet, (b) did she seek advice from the Department of Foreign Affairs and Trade about whether it was appropriate to meet, (c) did she raise topics of (i) human rights, (ii) Australia's campaign for a temporary seat on the United Nations Security Council, and (iii) corruption, (d) did President Bongo or his entourage receive any Australian Government support for the visit to Australia, including airfares and accommodation; if so, what sum of money was spent, and (e) did the President use the Australian Government's Special Purposes Aircraft during his visit to Australia; if so, what flights were arranged.

Ms Gillard: The answer to the honourable member's question is as follows:
Questions (1) and (2)
The Department of the Prime Minister and Cabinet (PMC) provides advice to support my international engagements as prime minister, including meetings with foreign leaders. In preparing such advice, PMC draws on information from other departments and agencies as appropriate, including the Department of Foreign Affairs and Trade, as it did on this occasion.

Question (3)
I released a joint statement with President Bongo following our meeting on 29 March, which notes that we had wide-ranging discussions on a number of important issues, including food security, climate change, peace and security challenges, trade, natural resources governance and development cooperation. I, along with other members of my government, regularly talk to other leaders and governments about the strong contribution Australia would make to the United Nations Security Council if elected.

Question (4)
President Bongo's visit to Australia was a state visit conducted under the guest of government program. The usual range of costs was covered by the Australian Government, including accommodation and ground transport. I am advised that the total cost of the visit was $156,991.44 (including GST).

Question (5)
President Bongo did not use the Australian Government's special purpose aircraft during his visit.