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SITTING DAYS—2015

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

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

House of Representatives Office holders
Speaker—Hon. Anthony David Hawthorn Smith
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell MP
Members of the Speaker’s Panel—Mr Russell Evan Broadbent MP,
Ms Anna Elizabeth Burke MP, Ms Sharon Catherine Claydon MP,
Mr Patrick Martin Conroy MP, Mr Alexander George Hawke MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Ms Sarah Moya Henderson MP, Mr Stephen James Irons MP, Mr Ewen Thomas Jones MP,
Mr Craig Kelly MP, Ms Michelle Leanne Landry, Ms Clare Ellen O’Neil, MP,
Mrs Jane Prentice MP, Mr Ross Xavier, Dr Andrew Southcott MP, John Vasta MP,
Mr Brett David Whiteley MP, Mrs Lucy Elizabeth Wicks MP

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

Party Leaders and Whips
Liberal Party of Australia
Leader—Hon. Malcolm Bligh Turnbull MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Mr Scott Buchholz MP
Government Whips—Mr Andrew Alexander Nikolic, AM, CSC and
Ms Nola Bethwyn Marino MP Southcott

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

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

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

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**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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#### Federation Chamber

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Wednesday, 16 September 2015

The SPEAKER (Hon. Tony Smith) took the chair at 09:00, made an acknowledgement of country and read prayers.

COMMITTEES

Selection Committee

Report

The SPEAKER (09:01): I present report No. 33 of the Selection Committee relating to the consideration of committee and delegation business and private members' business on Monday, 12 October 2015. The report will be printed in the Hansard for today and the committee's determinations will appear on tomorrow's Notice Paper. Copies of the report have been placed on the table.

The report read as follows—

Report relating to the consideration of private Members' business.
1. The committee met in private session on Tuesday, 15 September 2015.
2. The committee determined the order of precedence and times to be allotted for consideration of private Members' business on Monday, 12 October 2015, as follows:

PRIVATE MEMBERS' BUSINESS

Notices

1 MR ALBANESE: To present a Bill for an Act to establish the High Speed Rail Planning Authority, and for related purposes. (High Speed Rail Planning Authority Bill 2015).

(Notice given 10 September 2015.)

Time allotted—10 minutes.

Speech time limits—
Mr Albanese—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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


(Notice given 15 September 2015.)

Time allotted—10 minutes.

Speech time limits—
Mr Watts—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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

3 MR BANDT: To present a Bill for an Act to amend the Fair Work Act 2009, and for related purposes. (Fair Work Amendment (Recovery of Unpaid Amounts for Franchisee Employees) Bill 2015).

(Notice given 15 September 2015.)
Time allotted—10 minutes.

Speech time limits—

Mr Bandt—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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

4 MR MARLES: To present a Bill for an Act to amend the Migration Act 1958, and for related purposes. (Migration Amendment (Mandatory Reporting) Bill 2015).

(Notice given 15 September 2015.)

Time allotted—10 minutes.

Speech time limits—

Mr Marles—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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

Orders of the day

1 NBN ROLLOUT: Resumption of debate (from 14 September 2015) on the motion of Mrs Wicks—
That this House:

(1) places on the record that:

(a) under the previous Government, at the time of the last election just 2 per cent of premises across Australia could access the National Broadband Network (NBN);

(b) since the election the NBN rollout has ramped up significantly and today around one in ten premises can access the NBN and under the NBN's new Corporate Plan, by June 2018, three in four premises will have access to the NBN; and

(2) notes that:

(a) the NBN's 2016-2018 Corporate Plan reveals that a full fibre to the premises (FTTP) NBN could not be completed until 2026 at the earliest and could be as late as 2028—six to eight years later than the current Government's plan;

(b) the NBN 2016-2018 Corporate Plan reveals that a full FTTP NBN would cost between $20 and $30 billion dollars more than the current Government's plan; and

(3) recognises that it is essential to deliver fast broadband to Australians sooner—not force Australians with no or poor broadband to wait more than a decade for the NBN.

Time allotted—30 minutes.

Speech time limits—

All Members—5 minutes each.

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

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

Notices—continued

5 MR ZAPPIA: To move:
That this House:

(1) notes that as at:
(a) 31 March 2015 there were over 106,000 primary Temporary Work (Skilled) (subclass 457) visa holders in Australia;

(b) 31 December 2014 there were over 160,000 Working Holiday (subclass 417) and Work and Holiday (subclass 462) visa holders in Australia; and

(c) 30 June 2014 there were an estimated 62,100 unlawful non-citizens in Australia;

(2) further notes that:

(a) in August 2015 there were around 780,000 Australians who were unemployed and that 280,000 of those were aged 15 to 24; and

(b) the Senate is currently conducting an inquiry, the completion date of which was recently extended to February 2016, into the impact of Australia’s temporary work visa programs on the Australian labour market and on the temporary work visa holders;

(3) ensures that genuine labour market testing be applied to temporary work visas; and

(4) calls on the Government to ensure that the Department of Immigration and Border Protection has sufficient resources to properly ensure compliance with Australian visa conditions.

(Notice given 15 September 2015.)

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

Speech time limits—

Mr Zappia—5 minutes.

Other Members—5 minutes each.

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

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

Items for Federation Chamber (11 am to 1.30 pm)

PRIVATE MEMBERS’ BUSINESS

Notices

1 MS CLAYDON: To move:

That this House:

(1) notes that:

(a) National Carers Week runs from 11 to 17 October 2015 to recognise and celebrate the outstanding contribution unpaid carers make to our nation;

(b) carers in Australia make an enormous contribution to our communities and our national economy;

(c) in 2015, it is estimated that nearly 2.9 million Australians will provide more than 1.9 billion hours of informal and unpaid care; and

(d) the replacement value of informal care would be $60.3 billion, equivalent to 3.8 per cent of gross domestic product and 60 per cent of the health and social work industry budget; and

(2) congratulates Carers Australia for its strong advocacy and support for those providing care and support to family members and friends who have a disability, mental illness, chronic condition, terminal illness and alcohol or other drug issue, or who are frail aged.

(Notice given 15 September 2015.)

Time allotted—30 minutes.

Speech time limits—

Ms Claydon—5 minutes.
Other Members—5 minutes each.

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

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

2 MRS PRENTICE: To move:

That this House:

(1) notes that on 16 September 2015, Papua New Guinea (PNG) will celebrate its 40th anniversary of independence;
(2) congratulates the Government and the people of PNG for the rapid progress made in the decades since achieving independence;
(3) recognises that significant challenges remain, particularly in the areas of infrastructure development, health, education and human rights;
(4) notes that PNG shares a special historical bond with Australia, remains a close friend and ally, and is the largest recipient of Australian direct foreign aid; and
(5) reaffirms the commitment of the Australian Government to support PNG's continued growth and development.

(Notice given 10 September 2015.)

Time allotted—20 minutes.

Speech time limits—

Mrs Prentice—5 minutes.

Other Members—5 minutes each.

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

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

3 MS O'NEIL: To move:

That this House:

(1) acknowledges the critical role that women have played in advancing Science, Technology, Engineering and Mathematics (STEM) in Australia;
(2) notes that despite this, women remain largely underrepresented in STEM disciplines in Australia's schools and universities;
(3) recognises the social and economic benefits of advancing men and women equally through STEM;
(4) supports the need to encourage girls to take an interest in STEM from an early age through greater exposure to, and advancement of, science disciplines in school; and
(5) encourages policies that will enable women and girls to fully realise their potential through STEM at school and university.

(Notice given 18 August 2015.)

Time allotted—30 minutes.

Speech time limits—

Ms O'Neill—5 minutes.

Other Members—5 minutes each.

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

The Committee determined that consideration of this should continue on a future day.
4 DR STONE: To move:

That this House:

(1) recognises the courage and sacrifice of the young Australian men who actively served in Bomber Command in World War II;

(2) requests the creation of a medal for Royal Australian Air Force men who served in action in Australian and British squadrons in Bomber Command in World War II;

(3) notes that:
   (a) over 10,000 Australians served in Bomber Command, in which over 4,000 of these airmen lost their lives;
   (b) Bomber Command had the highest casualty rate in Australia’s military history;
   (c) a Bomber Command crew member had a worse chance of survival than an infantry officer in World War I; and
   (d) there are fewer than 100 Australians remaining who flew in Bomber Command; and

(4) calls on the Government to, as a matter of urgency, create a medal to recognise and honour Australian airmen who served in Bomber Command in World War II.

(Notice given 4 June 2015.)

Time allotted—20 minutes.

Speech time limits—

Dr Stone—5 minutes.

Other Members—5 minutes each.

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

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

5 MR S. P. JONES: To move:

That this House calls on the Government to:

(1) acknowledge that the impending loss of 500 jobs from the steelworks in Port Kembla will hurt the economic security of a region which already has unemployment numbers at two per cent above the national average;

(2) recognise that Australia should be a country that continues to make things and that steel making is vital to the future of the Illawarra and other regions including Whyalla in South Australia;

(3) properly resource the Anti-Dumping Commission so that it can get on with the job of identifying and prosecuting cases of dumping, including subsidised steel;

(4) promise not to repeal or weaken the Australian Jobs Act 2013 so that Australian workers are given a fair chance when job vacancies arise;

(5) reinstate the Local Employment Coordinator in the Illawarra so that workers who lose their jobs at the steelworks in Port Kembla and elsewhere can retrain and find alternative employment;

(6) locate entrepreneur advisers in the Illawarra to help local businesses in improving their competitiveness and allow retrenched workers and contractors from the steelworks to qualify for higher level job seeker assistance; and

(7) support the #IllawarraDigital strategy and facilitate a Digital Enterprise programme so that small to medium businesses and young entrepreneurs can train and seek advice on taking advantage of high speed broadband.

(Notice given 8 September 2015.)
Orders of the day

1 SMALL BUSINESSES: Resumption of debate (from 11 August 2015) on the motion of Mr van Manen—That this House:

(1) notes that:

(a) 96 per cent of all of Australian businesses are small businesses, employing more than 4.5 million people and producing more than $330 billion of the nation's economic output;

(b) in 2013-14 Australians started more than 280,000 small businesses;

(c) the Coalition Government has developed and started to deliver as part of the budget, the largest small business package in the nation's history—the Jobs and Small Business Package—worth $5.5 billion; and

(d) as part of the Jobs and Small Business Package, all small businesses will get an immediate tax deduction for each asset they buy costing less than $20,000; and

(2) acknowledges the work of the Prime Minister, the Treasurer and the Minister for Small Business in putting together a package that will deliver for small businesses now and into the future.

Time allotted—20 minutes.

Speech time limits—

All Members—5 minutes each.

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

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


Time allotted—remaining private Members' business time prior to 1.30 pm.

Speech time limits—

All Members—5 minutes each.

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

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

BILLS

Asian Infrastructure Investment Bank Bill 2015

Returned from Senate

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

Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Hockey.

Bill read a first time.
Second Reading

Mr HOCKEY (North Sydney—The Treasurer) (09:02): I move:

That this bill be now read a second time.

This bill implements the government's 2015 budget commitment to combat multinational tax avoidance.

This delivers on our promise to ensure that Australia is at the forefront of the international fight against tax evasion.

We already have some of the strongest taxation integrity rules in the world, and we are determined to make these rules stronger still.

We know that some multinationals continue to try to avoid paying tax on Australian profits. This includes the use of egregious, complex and blatantly artificial schemes like what is known as—by accountants only, I suspect—the double Irish Dutch sandwich.

This undermines the public's faith in the tax system and leaves families and small businesses to unfairly carry the taxation burden.

This government is absolutely committed to strengthening the system.

As G20 president last year, Australia led the global response to multinational tax avoidance. Under our leadership, the first of the OECD/G20's base erosion and profit-shifting recommendations were delivered.

We are continuing to work with the OECD and G20 to promote greater integrity in the international tax system and ensure that entities pay tax where they have earned their profits. The OECD will report to the G20 finance ministers in October 2015 on the outcomes and final recommendations of its action plan on base erosion and profit shifting.

I might add that I received a text overnight from Christine Lagarde, the head of the IMF, recognising that Australia has taken a significant leadership role on a number of these G20 initiatives.

Australia has been working hard at all levels to encourage our international partners to implement the OECD's recommendations. At the most recent meeting I attended, in Ankara, the G20 finance ministers met to discuss this initiative and I emphasised Australia's unwavering commitment to the OECD action plan and to tackling multinational tax avoidance.

I also met with a number of my counterparts one on one to discuss this critically important issue and to tell them about what Australia was doing to advance the OECD/G20 tax avoidance agenda. I have had similar conversations with, in particular, my English counterpart—the Chancellor of the Exchequer, George Osborne—about what the United Kingdom and Australia can do in partnership to stop multinationals diverting profits. Her Majesty's Treasury and the Commonwealth Treasury have been working together in this regard.

While our international efforts are important, it is critical that we take appropriate action now to better protect Australia's tax base, our economy and our jobs.

Last year we took action to tighten Australia's thin capitalisation rules to limit the scope for multinationals to claim excessive debt deductions.
In the 2015 budget, I announced a package of measures that will level the playing field for local businesses and ensure that competitors pay their fair share of tax.

This bill implements a new multinational anti-avoidance law, stronger penalties for large companies that engage in tax avoidance and profit shifting, and country-by-country reporting to give tax authorities greater visibility of multinationals' tax structures.

These three measures will apply to over 1,000 large multinationals operating in Australia with annual global revenue of $1 billion or more. These companies represent the highest risk to Australia's tax base. The measures are consistent with the government's commitment to deregulation and support for small business.

**Multinational anti-avoidance law**

Schedule 2 to this bill implements a new multinational anti-avoidance law from 1 January next year. This will stop multinationals artificially avoiding a taxable presence in Australia.

This delivers, as I said, on our 2015 budget commitment to target major entities with significant Australian activities who avoid booking profits in Australia.

The tax office estimates that around 30 large multinationals are engaging in commercial activities in Australia but use contrived structures to book billions of dollars of revenue overseas and avoid Australian tax.

The new multinational anti-avoidance law will allow the Commissioner of Taxation to force them to pay tax in Australia on profits from economic activities undertaken here.

This further strengthens the draft legislation that I announced in the 2015 budget.

We have strengthened the law by removing the condition for multinationals to operate in a 'no-tax or low-tax' jurisdiction.

All significant global entities with revenues over $1 billion who book their revenue offshore will need to consider these rules and may need to review their structures. With over 1,000 multinational entities operating in Australia with revenues greater than $1 billion globally, this means these rules will have a far-reaching effect and ensure that multinationals do not inappropriately slip through our tax net.

This simplifies the law and makes it easier for the tax office to apply, removing the need to prove an additional requirement.

As a result, if a multinational has a structure with a 'principal purpose' of avoiding tax, the tax office will have the tools to catch them and ensure they pay their fair share.

By removing the 'no-tax or low-tax' condition and relying solely on a 'principal purpose' test, we are sending a clear message that, if you deliberately and artificially avoid paying tax in Australia, this is not acceptable.

Removing the 'no or low' tax condition will also provide additional certainty and minimise disputes about whether a company operates in a 'no or low' tax jurisdiction where it is clearly structured for a purpose of avoiding tax.

This rule will complement our existing anti-avoidance rules for multinationals by clarifying that the specific arrangements used by multinationals selling into Australia are considered to be tax avoidance.

This new measure will make it easier for the ATO to establish a case by:
firstly, catching arrangements that are designed to obtain both Australian and foreign tax benefits; and

secondly, lowering the purpose test from 'sole or dominant purpose' to 'one of the principal purposes'.

This new measure will force entities to book their revenue here where they have significant sales activity here.

Where a tax avoidance scheme is identified, the Commissioner of Taxation will be able to apply the tax rules as if the multinational had booked the profit from Australian sales in Australia.

The company will have to pay the tax they owe on these profits—plus interest—and double the existing maximum penalties for tax avoidance and profit-shifting schemes.

This new measure will protect our tax base by acting as a deterrent to companies from engaging in complex schemes.

Companies that pay their fair share of tax will no longer be at a competitive disadvantage.

And this new measure is already starting to have an impact on the tax planning of multinationals.

I can report that the tax office has already been contacted to discuss how companies might restructure their activities to book their revenue in Australia and pay their fair share of tax in Australia.

Companies who think they might be affected by the new law are encouraged to contact the tax office as soon as possible.

Consistent with their voluntary disclosure policy, the tax office takes a favourable look at penalties for those companies undergoing a restructure to improve their tax compliance and their cooperation.

Australia is leading the world in taking action to target these arrangements and this measure is entirely consistent with the work being progressed by the OECD and the measures implemented by the United Kingdom in April.

**Penalties**

Schedule 3 to this bill doubles the penalties for large companies that enter into tax avoidance or profit-shifting schemes.

The maximum penalty applicable will be 120 per cent of the amount of tax avoided under the scheme.

Stronger penalties will help deter taxpayers from taking aggressive tax positions and will apply from 1 July 2015.

Deterrence is recognised as a key element of the fight against tax avoidance behaviour.

Larger multinationals have access to greater resources for tax minimisation, greater opportunities to avoid tax through offshore activities and larger potential tax savings if they are successful in avoiding tax. Stronger penalties are required to help deter these major taxpayers from taking aggressive tax positions.
Country-by-country reporting

Schedule 4 to this bill implements country-by-country reporting from 1 January 2016. This is one of the key recommendations of the G20/OECD BEPS action plan and we will be one of the first countries in the world to implement it. I announced that with Angel Gurria at the G20 meeting in Cairns.

Whilst Australia is leading the way, we expect the country-by-country measures to be implemented broadly by other jurisdictions around the world.

Country-by-country reporting will require large multinationals to report to the Australian Taxation Office their income and tax paid in every country in which they operate.

This will be exchanged between tax authorities to assist in the assessment of transfer-pricing risk and targeting of audit enquiries.

This will allow the tax office to lift the veil on multinationals and for the first time get an understanding of aggressive taxpayer behaviour beyond our shores that may be shifting profits that should have been booked here in Australia.

These new transparency arrangements are a significant step in improving transparency for tax administration.

For entities doing the right thing, there is nothing to be worried about.

But for those large foreign multinationals shifting profit to avoid tax we are sending a clear message: 'You are no longer able to hide.'

Consistent with the OECD's guidance, this schedule will also require two more reports to help manage transfer-pricing risk.

Firstly, companies will be required to lodge a master file, which will require detailed information on the multinational's organisational structure and financial activities. This will provide context to revenue authorities for the multinational's transfer-pricing practices.

Secondly, companies will be required to lodge a local file, which will focus on specific information on transactions between the reporting entity and related entities in other countries. This will include the entity's detailed analysis of the transfer-pricing determinations that they have made.

This schedule provides flexibility for the commissioner to determine the localised form of this reporting and the scope for exemptions to ensure that the measure does not impose unnecessary compliance costs on taxpayers involved in low-risk transactions.

The tax office is consulting on how these reports will interact with the current reporting requirements and will issue draft guidance before the end of 2015.

Further Government Action

This government is proud to have made significant progress on strengthening the integrity of our tax system.

We are closing the tax loophole so that GST is charged on digital products and services imported by consumers. This levels the playing field for domestic suppliers.

We will be introducing legislation later in the spring sittings to give effect to this measure following approval from the state and territory governments.
Further, the government has asked the board of tax to commence consultation on the implementation of the OECD's antihybrid rules. This will tackle the use of different tax rules in different countries by multinationals to claim a tax deduction in one country but not pay tax in the other.

Also, the tax office has already commenced exchanging information with other tax administrations on preferential tax regimes. This will help the tax office identify secret tax deals provided to multinationals by other countries that may contribute to tax avoidance in Australia.

On treaty abuse, the government is acting now to incorporate the OECD's recommendations into Australia's treaty practice, so that multinationals do not exploit treaties to avoid tax. The 2015 budget also announced that Australia will sign a multilateral international agreement to enable Common Reporting Standard information to be exchanged between tax administrations. We signed that agreement in June 2015.

The Common Reporting Standard will combat tax evasion by exposing taxpayers with hidden offshore investments. The Government has committed to implementing the Common Reporting Standard from 2017, and signing the Multilateral Competent Authority Agreement is a further step towards implementation.

The government has asked the board of tax to work with businesses to develop a voluntary code for greater disclosure by companies of their tax information. I expect that the board of tax will look at ways to provide more information to help inform the public about companies' tax information.

Together, the government and the Commissioner of Taxation are focussed on combating multinational tax avoidance, and we are providing the tax office with unprecedented resources to allow the tax office to undertake more extensive enquiries and audits of multinational companies.

This additional funding is delivering results and, through this program, the tax office has already raised over $400 million in additional tax and is estimated to raise $1.1 billion in total.

**Opposition position**

The government is taking a strong and balanced approach to dealing with multinational tax avoidance.

In contrast, our political opponents have proposed a number of harmful measures which they claim will deal with the issue of multinational tax avoidance—principally, by limiting interest deductions through the use of a worldwide gearing test only.

Unlike our actions, these proposed changes to the thin-capitalisation rules would unquestionably deter investment and cost jobs. That is the advice we have received from the Commonwealth Treasury. It is the last thing the country needs.

There is no doubt that the Labor opposition's actions would place a heavy cost on the Australian economy and would adversely impact the legitimate activities of many Australian headquarted multinational companies and drive them offshore.

The opposition's policies on multinational tax avoidance do not even go to the heart of the issue. Their policy, which primarily targets debt deductions, ignores the fact that the government has already taken action to significantly tighten Australia's defences in this area.
As such, the Labor Party's policy does not focus on areas where there is the greatest potential to address profit shifting by multinationals. You cannot have policies that are ineffective. They need to target the real problem and they cannot cause damage to the Australia's economy.

Our measures are well-considered and balanced and will effectively strengthen our tax system to ensure it is fair and sustainable.

But the fight against tax avoidance by multinationals does not end here.

We are continuing to work with the G20 and OECD to implement the two-year base erosion and profit-shifting action plan, so that companies do pay their fair share of tax.

The OECD will report to G20 finance ministers in October 2015 on the outcomes and final recommendations of the plan.

We will continue to take the lead in the OECD and G20, and the final recommendations will provide a strong platform for even further action to strengthening the integrity of our tax system and make sure that those people who earn profits in Australia pay tax in Australia. I commend the bill to the House.

Debate adjourned.

Social Services Legislation Amendment (Cost of Living Concession) Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Morrison.

Bill read a first time.

Second Reading

Mr MORRISON (Cook—Minister for Social Services) (09:21): Before I move that the bill now be read a second time, I commend the Treasurer on the bill that he has just presented to this House and his strong leadership of the G20 process that has led to this outcome. It is an outstanding bill and he deserves full credit for bringing that measure to this House. The wheels of government continue to turn, and I think the parade of legislation being seen introduced into the House today and tomorrow and the workings of the House are demonstrating very clearly that this government is getting on with the job and bringing forward the measures that are absolutely essential to secure our nation's economic future as well as securing our nation's future security. I move:

That this bill be now read a second time.

The beneficial new measure introduced by this bill is to exclude the Cost of Living Concession Payment made by the South Australian government from being assessed under the social security and veterans' affairs income tests.

From September 2015, the South Australian government is introducing a new Cost of Living Concession Payment, which will replace the South Australian Council Rates Concession, a discount on rates bills.

The new payment will be paid to certain eligible homeowners who previously benefited from the South Australian Council Rates Concession. In addition, the new payment will, for the first time, provide support to certain eligible low-income tenants. The new payment will
be a direct annual payment of either $100 or $200 to eligible people, depending on their circumstances.

This bill exempts the new payment from being assessed as income for social security and veterans' entitlements purposes. This ensures people's social security and veterans' affairs income support payments are not affected by receipt of the new payment and, therefore, that they receive the full benefit of the Cost of Living Concession Payment.

Debate adjourned.

Social Services Legislation Amendment (Low Income Supplement) Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Morrison.

Bill read a first time.

Second Reading

Mr MORRISON (Cook—Minister for Social Services) (09:23): I move:

That this bill be now read a second time.

This bill reintroduces a 2015 budget measure previously introduced in the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015, which was negatived in the Senate on 9 September 2015.

The low-income supplement is an annual lump sum paid to independent adults in low-income households who met resident's income and tax requirements and who could show that they were not adequately assisted through the tax reform package and the household assistance measures set out with the introduction of the carbon price.

Very few claims for the low-income supplement have been received and it is administratively highly complex and costly to deliver. The low-income supplement will be ceased from 1 July 2017.

This initiative is part of an important suite of measures to support the sustainability of the social security system and the nation's budget. I commend this bill to the House.

Debate adjourned.

Social Services Legislation Amendment (No Jab, No Pay) Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Morrison.

Bill read a first time.

Second Reading

Mr MORRISON (Cook—Minister for Social Services) (09:25): I move:

That this bill be now read a second time.

This bill will introduce the government's No Jab, No Pay announcement from the 2015 budget. This is an important initiative aimed at boosting childhood immunisation rates.

From 1 January 2016, the bill will ensure children fully meet immunisation requirements before their families can access the childcare benefit, childcare rebate or the family tax benefit part A supplement.
Immunisation requirements will also be extended to include children of all ages. At present, a child's vaccination status is only checked at ages one, two and five for the family tax benefit part A supplement, and up to age seven for the childcare payments.

Crucially, the government is ending the conscientious objection exemption to children's vaccinations for access to these family assistance payments.

Parents who vaccinate their children should have confidence that they can take their children to child care in particular, without the fear that their children will be at risk of contracting a serious or potentially life-threatening illness because of the conscientious objections of others.

Exceptions to the policy will apply only for valid medical reasons—for example, not for religious reasons—such as when a general practitioner has certified that vaccinating the child would be medically contraindicated, or that vaccination is unnecessary because the child has natural immunity from having contracted the disease in question.

Families with children participating in an approved vaccine study will be taken to meet the immunisation requirements for the duration of the study, and similar rules will apply where a vaccine is temporarily unavailable.

The requirements will also be met if a recognised immunisation provider certifies that the child has an equivalent level of immunisation through an overseas vaccination program.

Lastly, the secretary of my department will be able to determine that a child meets the immunisation requirements after considering any decision-making principles set out in a legislative instrument made by the minister.

The choice made by some families not to vaccinate their children is not supported by public policy or medical research and advice to the government, nor should such action be supported by taxpayers in the form of family payments.

Australia now has childhood vaccination rates over 90 per cent, from one to five years of age. Under the present arrangements, the vast majority of families receiving family payments—around 97 per cent—already meet the current immunisation requirement at the relevant age points.

However, more needs to be done to ensure we protect our children and our community from preventable diseases. That includes those who, for genuine medical reasons, find themselves in a position where they are not able to be vaccinated and rely on the herd vaccination to protect their health.

The new policy will tighten up the rules and reinforce the importance of vaccination in protecting public health, especially for children. I commend this bill to the House.

**Ms King:** On indulgence, as the shadow health minister, I commend the minister for the measure.

Debate adjourned.

**Social Services Legislation Amendment (Youth Employment) Bill 2015**

**First Reading**

Bill and explanatory memorandum presented by **Mr Morrison**.

Bill read a first time.
Second Reading

Mr MORRISON (Cook—Minister for Social Services) (09:29): I move:

That this bill be now read a second time.

This bill, in substantive form, is being reintroduced into this House today after it was rejected in the Senate by the opposition and the Greens.

This is an important bill, an important measure, which is titled the youth employment bill because it is designed, together with the other measures in the budget—the more than $330 million we have put into the budget—to support young people in getting into employment. They are important measures, addressing those who suffer disadvantage and other impediments, for them to be enabled and empowered and made capable of being able to enter the workforce.

That is what this bill was about the first time we introduced it, in the 2014-15 budget, that is what this bill was about when we re-engineered it, for the last budget, and it remains about that purpose today. This is about sending the right message to young people, about encouraging them and incentivising them into work together with a package of measures that is all about removing disadvantage so that young people can get into work and choose work not welfare.

This bill reintroduces, with minor modifications, some of the measures previously introduced in the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015, which was negatived at second reading in the Senate on 9 September 2015. The bill also introduces several additional amendments relating to young job seekers.

The one-week ordinary waiting period currently applying to Newstart allowance and sickness allowance will be extended to youth allowance (other) and parenting payment. The measure will also tighten the existing severe financial hardship waiver, and change the current rules so the ordinary waiting period is served after any other waiting periods. However, the bill makes sure Widow allowance claimants will not be subject to this waiting period.

From an intended delayed start date of 1 July 2016, the age of eligibility for Newstart allowance and sickness allowance will be increased from 22 to 25. Young people between the ages of 22 and 25 may apply for youth allowance (other) instead. Young people aged 22 to 24 in receipt of income support before or on 30 June 2016 will not be affected, and will remain on the higher Newstart rate.

The maximum age of eligibility for the youth disability supplement will also be increased to 24 for recipients of youth allowance (other). This change in age requirements will align payments for young unemployed people with those for students, reducing the disincentive to continue study. There is greater flexibility to earn while on youth allowance, so this change will strengthen the incentive for unemployed 22 to 24 year-olds to seek part-time work.

The 2014 budget measure, *Stronger Participation Incentives for Job Seekers under 30*, which sought to introduce a six-month waiting period for under-30s applying for Newstart allowance, youth allowance or special benefit, will no longer be implemented. These measures contained in this bill will be replacing those, as its predecessor did also.

Instead, this bill reintroduces a four-week waiting period for under-25s applying for youth allowance or special benefit. This measure is intended to start from 1 July 2016, and will only
apply to job seekers assessed as job ready. Job seekers affected by this measure will also participate in rapid activation pre-benefit activities to ensure they are looking for work.

Emergency relief funding will be made available to provide assistance to job seekers, affected by the measure, who are experiencing hardship. This measure encourages young people to make every effort to look for work and maximise their chances of finding a job. The exemptions contained in this bill are there to protect the vulnerable, the disadvantaged, for those who are not job-ready, for those who, in the most difficult of circumstances, are unable to go back to their own home. That is the government's policy, because of things such as family violence or things of that nature. There are strong exemption measures contained in this bill to protect the vulnerable but to encourage the able to go—and not go from the school gate to the Centrelink front door, to not choose that path—and choose the path of work.

If you do not have a job, income-support payments may be able to replace some of the income you will no longer have or you are not earning but it cannot replace a job in the life of an individual or of a family that may be dependent upon that job. It does not replace the sense of purpose. It does not replace the incentive and ability to fuel the aspiration of individual Australian citizens. Income support, Newstart, youth allowance, cannot replace a job; it only can replace part of the income you may have received from that job. It is this government's policy to focus on getting young people on a pathway to work not on a pathway to welfare. That is what this bill is designed to do in coordination with the other measures, those measures of more than $330 million supporting youth employment measures to do that.

Mr MORRISON: The question comes: 'Where are these jobs?' Well, following the presentation of this bill, the Minister for Trade and Investment will be presenting a bill on the China free trade agreement. That is where the jobs are coming from. This government has a plan to create jobs. And we are not just having that plan, we are implementing that plan.

Lastly, the bill includes amendments to implement the rapid activation of the young job seekers 2015 budget measure.

This measure ensures that job seekers under the age of 25 will be part of a new program, RapidConnect Plus. RapidConnect Plus will require job seekers who do not have significant barriers to obtaining employment to complete pre-benefit activities during their four-week income support waiting period in order to receive income support payments.

These are all important measures to support the sustainability of the social security system and the nation's budget.

In conclusion, I note that this bill is in the most part the same bill that was rejected by the Senate. The measures that are contained in this bill have a strong similarity to measures that have been introduced in New Zealand with great success. We are seeking here a four-week waiting period only for job-ready people under 25. The exemptions are long. The supports are many, including $330 million of investment that has already occurred in the budget and is being rolled out and will be invested continually from next year. In New Zealand, they found that around 40 per cent of people who registered for pre-benefit activities did not go onto payments at the end of those four weeks. That is 40 per cent who as a result of those measures went onto a pathway of work rather than onto a pathway of welfare. That is the sort of
measure that we need in this country. These are the sorts of measures which help people choose work and get into work rather than staying on welfare.

Particularly from a young age, the New Zealand experience also extends to the high proportion of those who are on a lifetime of welfare. Their investment approach analysis showed that these people entered the welfare system at a young age. That is the point at which we can have an intervention. That is the point where we can change the course of a life—onto work and not onto welfare. And that is the course that is supported by the Minister for Trade and Investment to ensure that there will be jobs for the future together with the many other economic programs of this government.

All members of this House should commend the Minister for Trade and Investment—and those on this side of the House certainly do—on the outstanding work he has done on the free trade agreements, which are growing exports and jobs for this country. In Australia, 28 per cent of low skilled jobs are very hard to fill. We are talking about retail and hospitality jobs, the sorts of jobs that the Minister for Small Business knows all about. He is trying to create and support these jobs and he knows that small businesses are trying to fill these jobs. This measure supports those small businesses to be able to compete with income support. Small business in this country should not have to be competing with the Newstart allowance to get people to fill the jobs in that sector, and this bill addresses that need. We know that this measure will support young people in their transition to work and put a stop to the welfare shuttle that goes from the school gate to the Centrelink door, which those opposite want to see continue.

Debate adjourned.

Customs Amendment (China-Australia Free Trade Agreement Implementation) Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Robb.

Bill read a first time.

Second Reading

Mr ROBB (Goldstein—Minister for Trade and Investment) (09:39): I move:

That this bill be now read a second time.

In doing so, I am pleased today to introduce the enabling legislation for our landmark China-Australia Free Trade Agreement. This is an outstanding agreement. It is the highest quality and most liberalising trade deal that China, the world's second biggest economy and our largest two-way trading partner, has done with any other developed country. It is by far the best free trade agreement Australia has done with any country from the perspective of goods, services and investment. There is a significant economic imperative to doing everything we can to bring this agreement into force before the end of this year—and I will come to that shortly.

The Customs Amendment (China-Australia Free Trade Agreement Implementation) Bill 2015 amends the Customs Act 1901 to implement Australia's obligations under chapter 3 of the China-Australia Free Trade Agreement (ChAFTA).
Chapter 3 sets out the rules of origin criteria and related documentary requirements for determining the eligibility of goods to obtain preferential tariff entry into Australia under the agreement.

The complementary Customs Tariff Amendment (China-Australia Free Trade Agreement Implementation) Bill 2015, will amend the Customs Tariff Act 1995 to set out Australia's tariff commitments under the agreement.

These quite modest bills represent the only legislative amendments that the parliament will need to pass to allow the government to bring ChAFTA into force. There is no need for amendments to any other bills, in particular the migration bills, because there is nothing in the agreement which requires a change to the protections and the standards of work that are required under the current legislation. This puts a lie to many of the actions that we have seen—the misrepresentations, the mistruths and the deliberate scaring of people across the community that has occurred, led by the CFMEU and the ETU, including others. We hope, certainly, that common sense will prevail and that, in due course, we will see a return to the traditional bipartisan position.

Government members interjecting—

The DEPUTY SPEAKER (Mr Mitchell): Order! Can we have some silence on my right, particularly from those who are not sitting in their seats, so I can hear the minister.

Mr ROBB: We hope we see a return to the traditional bipartisanship on these sorts of trade agreements, which have been so fundamentally important in Australia having 25 years now of uninterrupted economic growth. This will add to that record.

This bill and this agreement are a very important plank in the government's economic program to facilitate job growth and diversity in the economy following the downturn in the mining and resources and energy sector. This is a critical part of the diversification and the increased export of services in a most profound way. Seventy five per cent of our GDP is services at the moment. We export about 17 per cent. The opportunities in China and other parts of Asia are just spectacular, and this agreement, for the first time, opens the door on so many services operations within Australia. We will see dramatic growth. The Financial Services Council alone says that the increased access that will be given to financial services will create another 10,000 jobs between now and 2030 in that sector alone.

This is the sort of outcome that we can expect across so many areas of the Australian economy—driving diversification and putting our economy on sounder foundations; driving other things that we do as well as resources and energy industry activities.

These quite modest bills represent, as I said, the only legislative amendments that would be needed to allow the government to bring this agreement into force.

I had the honour of signing this historic agreement with my Chinese counterpart, Minister of Commerce Dr Gao Hucheng, on 17 June 2015 in Canberra. In close consultation with the government of China, the Australian government is working towards entry into force in 2015 in order to maximise the business gains for both parties.

This requires each of us to successfully conclude our respective domestic processes. As mentioned earlier, we have sought to introduce this legislation, which is central to our domestic process, at the earliest possible opportunity because of the very material additional benefits that will flow to a wide range of industries if the agreement enters into force in 2015.
Scheduled tariff cuts are based on the calendar year, which means entry into force this year will deliver an immediate round of tariff cuts, followed by a second round of cuts on 1 January 2016. This would mean that our exporters would benefit enormously from two rounds of tariff cuts over a three-week period at the end of this year and in early 2016; whereas if entry into force is delayed into next year, for example, they would only get the benefit of one round of cuts for the first 12 months.

A delay would cost Australian business an estimated $600 million. Failure to implement the agreement at all would be a disastrous outcome for business, for job creation and for growth—at a time when we are trying to aid the diversification of our economy in this post-mining-boom period.

Today we see reports of National Farmers’ Federation estimates that, if this deal does not proceed, Australian agriculture stands to lose a massive $18 billion over the next decade. The Chinese government will walk away from the agreement if this is blocked in the Senate by the Labor Party.

There is an enormous amount at stake. The future of Australia will be profoundly influenced by whether or not we enter into this agreement that has taken 10 years to negotiate and on which there is so much support and agreement across the community.

CHAFTA has been the subject of an inquiry by the Joint Standing Committee on Treaties, JSCOT, under the excellent chairmanship of the member for Longman. While this legislation is being introduced this week to meet tight parliamentary deadlines, debate on the bill will not continue until after the release of the joint JSCOT report on the Monday of the next sitting week.

CHAFTA builds on agreements already concluded by this government with Korea and Japan. It forms a part of a powerful trifecta of agreements with Australia’s three largest export markets, which account for more than 61 per cent of our exports of goods.

It affords Australia unprecedented levels of access to a market of more than 1.35 billion people which includes a rapidly rising middle class. The three agreements lead to access to over 1.5 billion people.

As I said earlier, these three agreements were a very high priority for our government because we, like everyone else, understood that the mining and resources boom was going to come to an end and that the activity and the blessings we have had from that boom over the last 15 years would eventually—as always with resources and energy—come to an end with it. What goes up comes down and we have to drive wider activity in the economy.

This agreement gives us access to 1.5 billion people on a preferred basis—and in the case of Japan and in the case of China, not only a preferred basis but a preferred basis to every other trading nation in the world. We have achieved benefits out of these deals which no-one else has achieved. We have a real opportunity for first mover advantage. We will rue the day if we throw away the opportunities that are sitting in front of us.

Some of our goods are currently subject to tariffs in China of up to 40 per cent. More than 85 per cent of all Australian goods exports will be tariff-free on entry into force. On full implementation 95 per cent of our goods will enter tariff-free.

It will greatly enhance our competitive position in key areas such as agriculture, resources and energy, and manufactured exports, and it will provide unprecedented services access.
Notably, tariffs will be abolished for Australia's $13 billion dairy industry. Australia's beef and sheep farmers will also gain from the abolition of tariffs of from 12 and 25 per cent. All tariffs on Australian horticulture will be eliminated.

By 2030, the total benefits for beef production, for instance, are expected to approach $3.3 billion, while the dairy industry says an agreement will lead to the creation of 600 to 700 new dairy jobs in the first year alone.

David Larkin, the chairman of the Australian Meat Industry Council, accompanied me to China recently as part of a business delegation. He described this agreement as 'the most significant development for Australian agriculture in 200 years'. Tariffs on products such as barley, oats, sorghum and millet, certain wood and paper products, and certain base metal ores and their concentrates will also be eliminated on entry into force of the agreement. Tariffs on coal exports to China will be eliminated within two years of implementation, helping Australian exporters of high-quality coal compete with Indonesian firms, who already benefit from preferential access to China.

The agreement contains simplified and trade facilitative rules of origin and related documentary requirements. Goods imported into Australia that meet the rules of origin, implemented through this bill, will be entitled to claim preferential tariff treatment in accordance with the agreement.

Crucially, Australia has also secured best ever market access provided to a foreign country by China on services, with enormous scope to build on an export market already worth more than $7 billion. Legal services, financial services, education, telecommunication, tourism and travel, construction and engineering, health and age services, mining and extractive industries, manufacturing services, architecture and urban planning, as well as transport, among many others, will all benefit from being able to do business more easily and more competitively in China.

China has also extended most favoured nation treatment to Australia. This is a very important provision. Most favoured nation treatment to Australia means China will extend to Australia any more-beneficial treatment it provides to any other trading partner any time in the future in the following sectors: education, tourism, travel related services, construction, engineering, security services, environmental services, services relating to forestry, computer and related services, and certain scientific and consulting services—things that we are world leaders in. All these things will get preferential treatment—but, not only that, if China gives any better treatment to anyone else we will also get that automatically.

The FTA also contains investment provisions to boost and diversify investment flows between our countries which are critical to Australia. As a nation with thin capital markets, which has always relied on foreign capital, Australia was also afforded most favoured nation status on investment, which means again that we will also benefit from any future concessions that China gives to any other country. China at the moment is negotiating a very significant investment treaty with the United States. If anything comes out of that treaty that is in addition to what we have already been given, we will automatically get that as well any time in the future. This is a high-quality deal. It will not only provide quality but give certainty to business and certainty to investors into Australia to know that whatever other preferences are given we will automatically get them.
Australian households and businesses will also reap the benefits of cheaper goods and components from China, such as vehicles, household goods, electronics and clothing, placing downward pressure on the cost of living and the cost of doing business in Australia. Another key feature of the agreement is a built-in mechanism to allow for further liberalisation and the expansion of market access over time, including a first review mechanism within three years. This places Australia in a strong position to secure additional gains as China undergoes further economic reform into the future.

The amendments also include relevant obligations on Australian exporters and producers who wish to export Australian goods to China under the agreement and obtain preferential treatment for those goods in China. Already, when I went to China three weeks ago with 35 CEOs, there was a whole raft of major agreements being built between Alibaba, JD.com and all these massive business-to-consumer and business-to-business online programs. They are building joint ventures with a whole raft of Australian businesses already in anticipation of this bill passing this year.

Already thousands of prospective jobs are starting to come into play and there has been no diminution of worker protection in any of this legislation—none whatsoever. The lies being peddled by the CFMEU and the comfort being given by the Labor government are a total disgrace in this regard. People's lives are at risk and the jobs are at risk. The amendments also confer certain powers on authorised officers to examine records and ask questions of exporters or producers of goods exported to China in order to verify the origin of such goods.

The free trade agreement with China has secured the overwhelming support of Australian business and industry. Daily, for months now, we have seen reports of industry and other organisations, all of whom studied this agreement and feel it is a fundamental part of the future prosperity and growth of this economy. The group so isolated those who are against this. We have seen Bob Hawke and all the luminaries of the Labor Party, including the current leaders at state and territory level and former major industry and trade ministers Simon Crean, former ACTU President, and Martin Ferguson, see the merit of this agreement.

All of these Labor people have said there is no diminution in worker protections or the standards of employment. Therefore, there is nothing standing in the way of the Labor Party supporting this bill. Importantly, the implementation of this agreement will boost the position of Australian businesses against competitors in New Zealand and the Association of Southeast Asian Nations who are already benefiting from preferential access into China.

I would also like to put on record the government's appreciation for the significant levels of support afforded to this agreement, as I said, from the likes of Bob Hawke, Simon Crean, Bob Carr and John Brumby along with Labor premiers, such as Jay Weatherill and Daniel Andrews. They are joined by an ever-growing list of prominent business and industry figures. I would also like to acknowledge former Prime Minister Tony Abbott for the support he provided to me in successfully concluding these negotiations. The rapport and trust that developed between former Prime Minister Tony Abbott and President Xi was fundamental in the success of these agreements. In addition, I would like to thank all those officials and negotiators who worked so diligently and professionally over a very long period of time to help conclude the historic deal. In particular, I think Jan Adams for her leadership.

This agreement represents a high-water mark in Australia's relationship with China. Once implemented, it will create tens of thousands of jobs, over time, for Australians. It will add
billions of dollars to our economy. It will improve our living standards. It will grow trust in the region. It will add not only to economic security but also to peace in the region. It is far too important to play politics with. It is a key part of our plan to help capitalise on the enormous opportunities that are emerging in the region around us. I commend these bills to the House.

Debate adjourned.

**Customs Tariff Amendment (China-Australia Free Trade Agreement Implementation) Bill 2015**

**First Reading**

Bill and explanatory memorandum presented by Mr Robb.

Bill read a first time.

**Second Reading**

Mr ROBB (Goldstein—Minister for Trade and Investment) (09:58): I move:

That this bill be now read a second time.

The Customs Tariff Amendment (China-Australia Free Trade Agreement Implementation) Bill 2015 is the second bill relating to the China-Australia Free Trade Agreement.

This bill contains amendments to the *Customs Tariff Act 1995* to implement part of the agreement by:

- providing duty-free access for certain goods on entry into force and preferential rates of customs duty for other goods including certain articles of plastic, rubber, paper, textiles, clothing, footwear and base metals, and other goods also specified in the agreement that are Chinese-originating goods;
- creating a new schedule 12 to provide for phasing rates of duty for those goods and to specify excise-equivalent duties on certain alcohol, tobacco, and petroleum products;
- phasing these preferential rates to free in either three or five annual reductions;
- amending schedule 4 to maintain customs duty rates for certain Chinese originating goods in accordance with the applicable concessional item.

This bill complements the amendments contained in the Customs Amendment (China-Australia Free Trade Agreement Implementation) Bill 2015.

Debate adjourned.

**Superannuation Legislation Amendment (Trustee Governance) Bill 2015**

**First Reading**

Bill and explanatory memorandum presented by Mr Frydenberg.

Bill read a first time.

**Second Reading**

Mr FRYDENBERG (Kooyong—Assistant Treasurer) (10:00): I move:

That this bill be now read a second time.
This bill amends the Superannuation Industry (Supervision) Act 1993 to introduce a higher standard of governance for superannuation funds, in line with domestic and international best practice.

The changes fulfil the government's election commitment to align governance in superannuation more closely with the corporate governance principles applicable to ASX listed companies.

Independent board members bring different skills and expertise and they hold other directors accountable for their conduct, particularly in relation to conflicts of interest.

In this regard, superannuation is lagging behind other corporate sectors, including listed companies, banks, and life and general insurers, who all, at a minimum, either have or are recommended to have a majority of independent directors with an independent chair.

Existing superannuation fund board composition requirements are outdated and no longer reflect the size of the industry. This is an industry which currently has over $2 trillion in assets, a figure that represents more than 120 per cent of Australia's GDP. Based on current projections, Australia's superannuation industry is expected to grow to $9 trillion by 2040.

The changes in this bill will therefore require superannuation funds to have at least one-third independent directors, with an independent chair, and they will apply equally to all Australian Prudential Regulation Authority (APRA) regulated superannuation funds, including corporate, industry, public sector, and retail funds. There will be a three year transition period for established fund trustees to assist them to transition in an orderly manner to the new requirements.

The bill will modernise board requirements to help ensure that directors with the best experience and expertise are represented on superannuation trustee boards, enhancing decision making and producing better outcomes for fund members.

Our key objective is to have the best people governing the retirement savings of Australians, and I am confident these reforms will do just that.

Superannuation is now the second largest asset held by Australians after the family home.

The significance of superannuation for Australian households will only increase over time. Currently employers are required to make minimum payments to complying superannuation funds at the rate of 9.5 per cent of salary and wages to build employees' retirement savings. This contribution rate is scheduled to rise to 12 per cent by 1 July 2025.

Employees cannot generally access their superannuation until they retire and they rely on others to manage their superannuation until that time.

The government wants to make sure that superannuation is managed with the highest possible standards of governance, in a way that is in superannuation members' best interests. This, fundamentally, is what this bill seeks to bring about.

Having independent directors on boards is consistent with international best practice on corporate governance. For example in Canada, it is recommended that the board of directors of every corporation should be constituted with a majority of individuals who qualify as unrelated directors. In the United Kingdom, the Corporate Governance Code recommends that at least half the board should comprise non-executive directors determined by the board to be independent.
APRA regulates the superannuation industry and part of APRA's mandate is to mitigate systemic risk to the financial sector. APRA considers that one way of mitigating risk is by requiring the boards of banking and insurance entities to have a majority of independent directors. APRA recognises that where funds are being managed by agents of depositors or policyholders, independence helps ensure that decisions are made in the best interests of the depositors or policyholders.

In APRA's words, 'APRA's experience, over many years and across all industries, suggests that having at least some independent directors on boards best supports sound governance outcomes ... In APRA's view, the diversity of views and experience that independent directors bring supports more robust decision making by boards.'

The issue of governance of superannuation has been considered by both the previous government's Cooper review into the superannuation system in 2010 and the Financial System Inquiry (FSI) in 2014.

Both these independent reviews included widespread consultation, with views provided by industry associations, community groups, and other stakeholders, including superannuation funds, both industry and retail.

Both of these independent reviews recommended that the superannuation law be changed so that independent directors be included on the board of superannuation funds' trustees. In fact, the Cooper review received in excess of 450 submissions over 12 months and the Murray review received over 6,000 submissions over 12 months.

In the previous government's review, the panel noted that members' interests would be best served where members are represented by people independent from management and other interests and who can provide an outside perspective.

The Cooper review recommended that at least one-third of directors on superannuation fund boards should be independent.

In the FSI, the panel noted that including independent directors was international best practice, improves decision making and helps hold non-independent directors to account for their conduct.

The FSI review went on to recommend that superannuation funds should have a majority of independent directors in order for them to be an effective influence on board decisions.

The government carefully considered this FSI recommendation, but believes that proceeding with one-third independent directors, including an independent chair, strikes an appropriate balance while still substantially strengthening governance arrangements.

The government is also mindful of the scale of change that would be required if a majority was mandated.

Consistent with the ASX Corporate governance principles, trustees without a majority of independent directors will still be required to publicly report on an 'if not, why not' basis in their annual report whether they have a majority of independent directors commencing 1 July 2019.

This will mean that funds will need to provide greater transparency about their choices concerning the composition of their boards. This requirement will be implemented through changes to the reporting requirements in the Corporations Regulations 2001.
In concluding that superannuation fund boards should have independent directors, the FSI noted the governance framework for Australian superannuation funds has shortcomings that are inconsistent with good governance principles and, in the inquiry's view, need to be addressed.

The government agrees, and is now proceeding to modernise board requirements through the inclusion of a greater number of independent board members.

Superannuation is complex and funds are becoming larger and increasingly sophisticated—both in relation to their internal operations and investments. It is therefore incongruous for superannuation to operate under inferior governance arrangements to those of other APRA regulated entities.

To address these shortcomings, this bill contains a number of amendments to the Superannuation Industry (Supervision) Act 1993, otherwise known as the SIS Act.

This bill will amend the SIS Act by repealing the existing part 9 and substituting a new part 9.

The bill will require registrable superannuation entity corporate licensees to have at least one-third independent directors, with an independent chair.

One of the features in the existing part 9 of the Superannuation Industry (Supervision) Act 1993 is that it requires equal representation on trustee boards in employer sponsored funds, which are generally, but not exclusively, industry funds and corporate funds.

The Cooper review examined in detail the equal representation model and found that although it was an important part of the governance structure 20 years ago, 'changes in the industry over time and certain implementation practices mean that equal representation no longer seems to achieve its original stated objective'.

The Cooper review recommended in recommendation 2.4 that the SIS Act should be amended so that it is no longer mandatory for trustee boards to maintain equal representation in selecting its trustee directors.

The Cooper review also noted that 'The equal representation model appears to impose rigidity into fund governance practices and reduce accountability, without contributing materially to the representation objective on which it was predicated.'

The changes this bill makes are consistent with the Cooper review recommendations and observations.

Importantly, this legislation does not restrict the composition of the remaining two-thirds of board members. Apart from having one-third independent trustees mandated, it will be the responsibility of the board to decide how the remaining two-thirds of directors are comprised.

The government considers it is appropriate to leave it to boards to structure themselves in the manner they believe will serve their members' best interests.

Boards will be able to choose to have the remaining two-thirds of their directors split between member and employer representatives if they consider it appropriate. The government is in no way preventing trustees from enshrining equal representation in their constitutions.

This bill includes a new definition of 'independent' that will ensure a director of a superannuation fund board is able to exercise independent judgement.
The definition excludes individuals who have a substantial holding in the licensee or related entity. The definition also excludes individuals who have, or have had within the last three years, a material business relationship with the licensee, including through their employer. It also excludes a person who is a director or executive officer of an employer sponsor, employer organisation or a group representing the interests of members that has the right to nominate or appoint directors.

The amendments will also contain a mechanism for APRA to make determinations about whether a person is able to exercise independent judgment in performing the role of director. This mechanism is necessary to ensure that there is certainty where an individual might have an unusual relationship with the licensee such that it is unclear whether the individual is 'independent' under the proposed principles based statutory test.

Where a person does not meet the definition of independent but the trustee considers that the person has the ability to act independently, a trustee may apply to APRA for a determination that the person is independent.

Recognising that a number of existing funds will need to reconstitute their boards as a result of these reforms, the bill proposes a three-year transition period, applying from the date of royal assent to the legislation. Where an APRA compliant transition plan is in place, the current equal representation rules and the new independent requirements will not apply during that period.

The provisions within the bill will also override both the governing rules and the constitution of a corporate trustee.

The bill will also amend the Governance of Australian Government Superannuation Schemes Act 2011. Schedule 2 to the bill will restructure the trustee board for the Australian government's main civilian and military superannuation schemes, the Commonwealth Superannuation Corporation (CSC) board, to comply with the new governance requirements.

As mentioned earlier, this bill demonstrates the government is delivering on its election commitment to align superannuation governance with ASX-listed company corporate governance principles and elevates superannuation to a comparable standard that other APRA regulated entities are required to meet. The bill mandates the need for independent directors, to ensure improved member outcomes for all superannuation fund members.

These reforms have been subject to extensive consultation over a number of years. The Cooper review released its first issues paper, on governance, in August 2009, over six years ago.

In November 2013, the government released its discussion paper 'Better regulation and governance, enhanced transparency and improved competition in superannuation'. It sought feedback on how best to ensure an appropriate provision for independent directors on superannuation trustee boards.

The issues were again considered by the FSI in 2014. This year, before seeking to introduce legislation into the parliament, the government has conducted two rounds of consultation on exposure draft legislation.

I thank the many people who have been involved in the various and exhaustive consultation processes on the reforms.
I also acknowledge the many funds from the various sectors of the diverse superannuation industry that have already moved to have more independent directors on their boards.

Full details about the amendments are contained in the explanatory memorandum and further details will also be included in APRA’s prudential standards on governance and transition.

Debate adjourned.

**Migration and Maritime Powers Amendment Bill (No. 1) 2015**

**First Reading**

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

**Second Reading**

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (10:15): I move:

That this bill be now read a second time.

The Migration and Maritime Powers Amendment Bill (No. 1) 2015 contains a number of amendments to the Migration Act and a separate amendment to the Maritime Powers Act. These amendments will strengthen and clarify the legal framework in those acts, ensuring that they will be interpreted consistently with original policy intention and operate effectively as intended.

Specifically, the bill will ensure that when an unlawful noncitizen is in the process of being removed to another country and before they enter the other country, the person is returned to Australia, then that person has a lawful basis to return to Australia without a visa; ensure that when such a person does return to Australia without a visa, the visa application bars in sections 48 and 48A of the Migration Act will continue to apply as if they never left Australia; make a technical amendment to ensure that the prohibition against the making of further protection visa applications in section 48A of the Migration Act operates as intended under policy; ensure that the Administrative Appeals Tribunal can review certain character or security based decisions to refuse to grant a protection visa to a fast-track applicant; ensure that the visa ceasing provisions in sections 82, 173 and 174 of the Migration Act operate as intended under policy and to make a number of amendments to give full effect to the substantive amendments made by the Migration Amendment (Character and General Visa Cancellation) Act 2014 to make a minor amendment to address an incorrect referencing area in section 38B of the Migration Act relating to maritime crew visas; and confirm that the powers in the Maritime Powers Act are able to be exercised in the course of passage through or above the waters of another country in a manner that is consistent with the 1982 United Nations Convention on the Law of the Sea.

The proposed amendments in schedule 1 ensure that, when an attempt is made to remove an unlawful noncitizen from our country, that noncitizen does not enter the destination country and is instead returned to Australia, the noncitizen can be returned to Australia without a visa. In addition, they will be treated as if they had never left Australia for the purposes of the visa application bars imposed by sections 48 and 48A of the Migration Act.
Currently the Migration Act allows an unlawful noncitizen who has been removed from Australia to return without a visa, if the unlawful noncitizen was refused entry into the destination country. It does not currently allow for the return without a visa of a noncitizen who we have attempted to remove from Australia in other circumstances where it may be necessary. For example, there is no facility to return a person to Australia without a visa, if a transit country refuses to allow the removed person to transit or if the United Nations Human Rights Committee makes an interim measures request that the removal not be completed. The amendments in schedule 1 will address this inconsistency.

Similarly, the current law provides that, when a noncitizen is returned to Australia without a visa because they were refused entry to the destination country, the bars on making further applications imposed by sections 48 and 48A of the Migration Act will continue to apply as if they had never left Australia. The amendments will ensure that the same rule applies to a noncitizen who is returned to Australia without a visa in any circumstance covered by these amendments.

The amendments in schedule 2 of this bill are required to give full effect to the substantive amendments made to the Migration Act last year by the Migration Amendment (Character and General Visa Cancellation) Act of 2014.

Dr Leigh: Mr Deputy Speaker Mitchell, I rise reluctantly on a point of order, but standing orders only permit a minister to move such legislation. I do want to clarify for the House, given recent reports, whether the member opposite is still a minister.

The DEPUTY SPEAKER (Mr Mitchell): You can respond to that if you want but otherwise continue.

Mr DUTTON: It was a juvenile interjection, and people would be laughing at this ridiculous interjection back in his electorate. On indulgence, because there clearly is no point of order, I think people can reflect on the juvenile interjections of this shadow minister who wants to be a minister in a government one day but who demonstrates no capacity to conduct himself in such a way—I will leave it at that.

The character and general visa cancellation act significantly strengthen the character and general visa cancellation provisions in the Migration Act to ensure that noncitizens who commit crimes in Australia, pose a risk to the Australian community or represent an integrity concern are appropriately considered for visa refusal or cancellation.

The character and general visa cancellation act also introduced mandatory cancellation of visas held by noncitizens in prison who do not pass certain limbs of the character test, a revocation power, specifically for mandatory cancellation decisions, and a new power for the minister to personally set aside in the national interest a decision made by his or her delegate or the AAT to revoke a mandatory visa cancellation decision.

The consequential amendments set out in schedule 2 of this bill will ensure that the mandatory cancellation related powers are reflected comprehensively throughout the Migration Act according to the original intent of the changes made last year. This will ensure that the government has the capability to proactively and robustly address character and integrity concerns.
In particular, schedule 2 of the bill will ensure criminal intelligence and related information, which is critical to the making of all character related decisions, can be protected from disclosure under section 503A of the Migration Act.

This bill will also give full effect to the policy of mandatory cancellation by putting beyond doubt that a noncitizen who is a subject of mandatory character cancellation decision is available for removal from Australia, if they do not seek revocation within the relevant time period or are unsuccessful in having their visa reinstated.

Further, schedule 2 of the bill seeks to strengthen my department's ability to identify noncitizens suspected of being of character concern by aligning the definition of character concern in the act with the strength and character test in section 501.

Consistent with the original intent of the character and cancellation act, this will facilitate the lawful disclosure of non-citizens' identifying information where a noncitizen is suspected of being of character concern. Part 1 of schedule 3 of the bill makes an amendment to subsection 48A(1)(c) of the Migration Act to clarify that a person who has previously been refused a protection visa application that was made on their behalf—for example, because they were a minor at the time—cannot make a further protection visa application irrespective of the ground on which the further protection visa application would be made or the criteria which the person would claim to satisfy and irrespective of the grounds on which the previous protection visa application was made. This amendment is a technical amendment to ensure that the bar on further protection visa application in 48A of the Migration Act operates as originally intended.

Part 2 of schedule 3 of the bill includes a number of separate amendments to the Migration Act. The first of these are amendments to give full effect to the amendments made to the Migration Act last year by the Migration and Maritime Powers Legislation Amendment (Resolving the Asylum Legacy Caseload) Act 2014—the legacy act—which introduced the fast-track process for certain protection visa applicants who were defined in the Migration Act as a fast-track applicant. The applicant cohort to which this process applies are unauthorised maritime arrivals in Australia who came on or after 13 August 2012 but before 1 January 2014 and any other person or class of persons specified by the minister as a fast-track applicant by legislative instrument.

This government's intention during the development of the legacy act was always that a fast-track applicant whose protection visa application is refused on certain character or security grounds should be able to make an application for review of that decision of the Administrative Appeals Tribunal under the existing provisions in the Migration Act. These amendments implement the intention and clarify the types of fast-track decisions that can be reviewed by the Immigration Assessment Authority, which is established within the Migration and Refugee Division of the AAT. Certain character or security decisions relating to protection visa applications and often evidentially and legally complex, the government is providing a consistent and rigorous but fair and expert process by ensuring that the AAT's current jurisdiction to review these types of character or security based decisions will also apply where the applicant is a fast-track applicant. Consistent with the rest of this bill, these items demonstrate the government's clear and continuing commitment to ensuring that noncitizens who pose a risk to the Australian community are dealt with effectively, efficiently and comprehensively.
The second group of amendments in schedule 3 of the bill clarify the ways that visas can cease under the Migration Act. As the act currently provides for visas to be extinguished by ceasing to be in effect, it has created room for possible argument that a visa which is dormant—that is, not in effect—cannot cease to be in effect even if a relevant ceasing provision applies to it. To ensure that the visa-ceasing provisions under the act are interpreted consistently with policy amendments in schedule 3 to this bill clarify the operation of the visa-ceasing provisions—that is, a visa will always cease or be extinguished if a relevant ceasing provision applies to it, even if the visa is not in effect at the relevant time, except in one expressly carved out circumstance.

Schedule 3 of the bill also makes a minor technical amendment to subsection 38B(5) of the Migration Act to fix an incorrect referencing error.

Finally, the amendments proposed in schedule 4 of the bill are intended to confirm the government's clear intent that powers under the Maritime Powers Act are able to be exercised in the course of passage through or above the waters of another country in a manner consistent with the United Nations Convention on the Law of the Sea—the convention. Section 8 of the Maritime Powers Act defines a country to include the territorial sea and archipelagic waters of the country. Section 40 prevents the exercise of powers under the Maritime Powers Act at a place in another country except in defined circumstances. Section 40 could be interpreted as preventing the exercise of powers under the Maritime Powers Act in waters within another country in circumstances where under the convention it would be permissible to exercise those powers—for example, when a vessel is in the course of transit passage through an international strait.

Schedule 4 to the bill amends section 40 to confirm the ability to exercise powers under the Maritime Powers Act in circumstances where vessels or aircraft are permitted or entitled under the convention to exercise rights of passage through or above those waters. Under the amendments, the exercise of the maritime powers in these circumstances can occur when three criteria are met. First, the exercise of the powers is to be part of a continuous exercise of powers that commenced in accordance with the existing framework for the exercise of powers. Secondly, the exercise of the powers occurs in the course of passage of a vessel or aircraft through or above waters that are part of a country, which includes the territorial sea, archipelagic waters and international straits. Finally, a relevant maritime officer, including the commander of a vessel as well as more senior maritime officers who have knowledge, involvement in or command over the operation, or the minister considers that the passage is in accordance with the convention.

Schedule 4 demonstrates this government's clear intend to ensure that the powers exercised under the Maritime Powers Act are consistent with the convention. I commend the bill to the chamber.

Debate adjourned.

Customs Amendment (Fees and Charges) Bill 2015
First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.
Second Reading

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (10:28): I move:

That this bill be now read a second time.

The Customs Amendment (Fees and Charges) Bill 2015 is one bill in a package that deals with legislative change to implement measures announced as part of the 2015-16 budget, following the completion of the joint review of border fees, charges and taxes (fees review). This bill amends the Customs Act 1901 to restructure current customs broker, depot and warehouse charges and complements the Customs Depot Licensing Charges Amendment Bill 2015. The bill will also increase the warehoused goods declaration processing fee.

The other bill in the package is the Import Processing Charges Amendment Bill 2015. This restructure of the licensing regime includes consolidating all customs licensing charges under a single act—the Customs Licensing Charges Act 1997—introducing new licensing charges, and adjusting the price of licensing charges to ensure full cost recovery for depot and warehouse licensing activities, and partial cost recovery of customs broker licensing activities.

The Department of Immigration and Border Protection processes and assesses applications, issues licences, and manages the renewal and compliance framework for warehouse and depot licence holders, and for customs brokers. Cost recovery charges are imposed on identifiable persons or businesses holding or applying for licences. These charges were forecast to recover $4.0 million in the 2014-15 financial year. Additionally, $1.0 million was forecast to be recovered for warehouses administered under delegation by the ATO.

Under current legislation, depot licence charges are in their own act, while warehouse and customs broker licence charges, which recover costs for similar border licensing activities, are contained in the Customs Act 1901 and Customs Regulation 2015.

Charging mechanisms also currently differ across the different licence types. While depot licence applicants must pay a licence application charge, and depot licence holders must pay a depot licence variation charge, no such charges exist for warehouse or customs broker licences. Prospective warehouse and customs broker licence holders bear no cost if their application is unsuccessful, and warehouse licence holders do not bear the cost of processing licence variations. During 2013-14, 45 per cent of broker licence applications were unsuccessful, which led to a significant unrecoverable expense for the department.

The current licensing charging arrangements were established to recover the full costs of customs licensing activities, in line with the Australian Government Cost Recovery Guidelines. During the Fees Review, it was identified that there is significant under-recovery of costs within the customs broker licensing program. The revenue from current broker licensing charges represents approximately 30 per cent of total costs, with current prices set more than 10 years ago. During consultation, industry groups voiced concerns that they believe the program to be inefficient, and that significant business process improvement and modernisation would be necessary to provide a more efficient service. In addition to this, they noted that a shift to full cost recovery would present significant affordability challenges to new and existing broker licence holders.
The amendments in this bill and the customs depot licensing charges bill 2015 will consolidate all licensing charges into a single act to simplify the legislation. It will introduce new licensing charges to better align the charges with the cost recovery guidelines. The new charges include a warehouse licensing application charge, a warehouse licensing variation charge and customs broker application charges. This will encourage applicants to be better prepared prior to applying for a licence and will reduce the cost burden of the licensing program, which is currently borne by successful applicants only.

The bill will also introduce a small increase in the fees applicable to an import declaration for warehoused goods. This amendment will complement amendments to import processing charges in the Import Processing Charges Amendment Bill 2015, charges that contribute to the recovery of the costs of managing the import-related trade and cargo functions of the department. I commend this bill to the House.

Debate adjourned.

Customs Depot Licensing Charges Amendment Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (10:34): I move:

That this bill be now read a second time.

The Customs Depot Licensing Charges Amendment Bill 2015 is one bill in a package that deals with legislative change to implement measures announced as part of the 2015-16 budget, following the completion of the joint review of border fees, charges and taxes (the Fees Review).

This bill complements the Customs Amendment (Fees and Charges) Bill 2015, which establishes the liability to pay a number of new licensing charges. An application charge for a warehouse licence, a charge for an application for a customs broker licence and a charge for an application for a variation to a warehouse licence are new charges imposed through this bill.

In addition this bill amends the Customs Depot Licensing Charges Act 1997 to consolidate existing custom broker, depot and warehouse licensing charges into one act.

Finally, this bill makes changes to the price of existing warehouse and customs broker licensing charges in line with cost recovery guidelines. I commend the bill to the House.

Debate adjourned.

Import Processing Charges Amendment Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.
Second Reading

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (10:35): I move:

That this bill be now read a second time.

The Import Processing Charges Amendment Bill 2015 is one bill in a package that deals with legislative changes to the Import Processing Charges Act 2001 to implement measures announced as part of the 2014-15 budget, following the completion of the joint review of border fees, charges and taxes.

The other two bills are the Customs Amendment (Fees and Charges) Bill 2015 and the Customs Depot Licensing Charges Amendment Bill 2015.

There are three main changes covered in this bill. The first will broaden the cost base for import declaration and warehouse declaration charges, by recovering the cost of the Department of Immigration and Border Protection's cargo and trade related reform initiatives. This will be in addition to the direct cargo and trade related costs that are recovered through existing import declaration and warehouse declaration charges. The charges will increase as a result of the wider cost base.

The second change is that this bill will simplify charging arrangements, by removing the price differential between charges for sea cargo, air cargo and postal import declarations and warehouse declarations. The same charge will apply regardless of the way in which goods are imported. This change better reflects that border clearance and risk assessment activities are generally the same for all goods, regardless of the cargo stream by which they arrive.

The third change is that this bill will introduce a standard higher charge for documentary import declarations and warehouse declarations, to that imposed on electronic declarations. A consistent price better reflects that the additional work required to process documentary declarations does not vary depending on the value of the goods, or the pathway by which they entered Australia.

The changes to import declaration and warehouse declaration charges contained in this bill comply with the Commonwealth's cost recovery guidelines. They are consistent with the requirements of the General Agreement on Tariffs and Trade, as the revised charges will not exceed the approximate cost of cargo and trade related processing activities.

The changes contained in this bill will come into effect on 1 January 2016, and will generate additional net revenue of approximately $106.4 million over the forward estimates.

These changes will provide a more equitable application of border import processing charges, ensuring that costs are evenly distributed across all imported goods, regardless of whether they come by sea, air or post.

I commend the bill to the House.

Debate adjourned.

Migration Amendment (Charging for a Migration Outcome) Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.
Second Reading

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (10:38): I move:

That this bill be now read a second time.

The Migration Amendment (Charging for a Migration Outcome) Bill 2015 amends the Migration Act 1958 ('the act') to introduce a new criminal and civil penalty regime that will make it unlawful for a person to ask for, receive, offer or provide payment or other benefits in return for a range of sponsorship related events. The bill also allows visa cancellation to be considered where the visa holder has engaged in such conduct, referred to as 'payment for visas' conduct.

This bill will implement a key integrity recommendation of the independent review into integrity in the subclass 457 program: that it be made unlawful for a sponsor to be paid by visa applicants for a migration outcome and that this be reinforced by a robust penalty and conviction framework.

This bill will apply to a range of temporary sponsored work visas and skilled permanent employer-sponsored visas, including the 457 visa.

'Payment for visas' conduct is not currently unlawful. This conduct is unacceptable to the government and the Australian people because it undermines the genuine purposes for which visas are intended to be granted. This bill will strengthen the integrity of Australia’s migration program by allowing action to be taken where 'payment for visas' conduct has occurred.

'Payment for visas' conduct may occur through an employer offering to sponsor a visa applicant in return for a payment or benefit. It may occur before the applicant applies for a visa or during the visa holder’s stay in Australia. Evidence obtained through monitoring sponsors indicates that the sponsor and applicant are complicit in the majority of 'payment for visas' activity. Employers may also exploit an employee by requiring payment in return for an ongoing sponsorship.

A strong response is required to ensure that this practice, which has continued under successive governments, does not continue.

The bill will amend the act to make it a criminal offence for a sponsor or other third party to ask for or receive a benefit in relation to a sponsorship related event. The offence will be punishable by a maximum of two years imprisonment or a fine of up to 360 penalty units, which currently equates to $64,800 for an individual person or five times higher—$324,000—for a body corporate.

The bill introduces civil penalties applicable to a sponsor, visa applicant or any other third party who asks for or receives, or provides or offers a benefit in relation to a sponsorship related event. The maximum pecuniary penalty is 240 penalty units, which currently equates to $43,200 for an individual person or five times higher—$216,000—for a body corporate.

The maximum penalties reflect the higher upper limit of amounts paid in 'payment for visas' cases.

The bill defines 'benefit' in wide terms to include any payment or deduction, and any kind of real or personal property, advantage, service or gift. It does not include payments of
reasonable amounts for the provision of a professional service such as by a migration or recruitment agent.

The bill includes a definition of 'sponsor related event' to capture the types of conduct between a sponsor and a visa applicant or visa holder to which this offence will apply.

The bill defines 'sponsorship related event' to capture 'payment for visas' conduct that occurs at any point in the visa application process or throughout the duration of the visa.

The bill provides for further types of 'sponsorship related events' to be prescribed in the future, ensuring the legislation will be flexible to respond to emerging 'payment for visas' conduct. The bill also provides for a criminal or civil penalty to be imposed on an executive officer of a body corporate which has been found to be involved in 'payment for visas' activity.

The criminal and civil penalty framework will have extended extraterritorial application so that the offence and penalties apply to conduct by an Australian citizen or body corporate outside Australia, or to an Australian resident outside Australia if there is an equivalent offence in the law of the local jurisdiction.

The bill will also allow existing inspector, investigation, search warrant and notice-to-produce powers, which are currently used to investigate work related offences, to be used in relation to 'payment for visas' activity.

Finally, the bill will introduce a new discretionary power to consider visa cancellation where any person engages in 'payment for visas' conduct.

Visas granted at any time may be considered for cancellation, where conduct occurred on or after the commencement date of this bill.

Consistent with other cancellation powers in the act, the visa holder would be afforded procedural fairness during the cancellation process. Where a decision to cancel a visa is made, consequential cancellation of the same visas held by family members would automatically apply. A person whose visa is cancelled would have the ability to seek merits or judicial review of that decision.

It is my intention to later expand the 'payment for visas' provisions to family and other visas where there is the potential for this conduct to occur. The bill ensures that the department is able to take appropriate action against unscrupulous people who have engaged in 'payment for visas' conduct.

I commend this bill to the House.

Debate adjourned.

COMMITTEES

Public Works Committee

Report

Mr PERRETT (Moreton) (10:44): On behalf of the Parliamentary Standing Committee on Public Works, I present the committee's eighth report of 2015 on referrals made in June 2015.

Report made a parliamentary paper in accordance with standing order 39(e).
Mr PERRETT: by leave—On behalf of the Parliamentary Standing Committee on Public Works, I present the committee's eighth report of 2015 which deals with three projects referred to the committee in June.

The first project is for the Australian Taxation Office. It concerns the refurbishment of currently leased premises at 121-125 Henry Street in Penrith, New South Wales. At the same time the ATO chose to relinquish nearly 4,500 square metres of excess space. The estimated cost of the project is $19.6 million.

This building was purpose built for the ATO in 1994. The current fit-out, which has been in place since that time, requires upgrading. The building owner will use this opportunity to enhance base building services. Together these upgrades will deliver both energy and cost efficiencies. Additionally, the fit-out will increase work point occupancy density so that is in line with the government target, which has crammed people in a little more.

The committee received a briefing from the ATO and conducted hearings on 24 August. The ATO told the committee that similar works have achieved successful outcomes, in terms of cost and project delivery.

The committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

The second project I report on today is for the newly amalgamated Administrative Appeals Tribunal. From 1 July 2015, the AAT was expanded to include the Migration Review Tribunal, the Refugee Review Tribunal and the Social Security Appeals Tribunal, under the leadership of the Hon. Duncan Kerr, who is doing a great job.

These tribunals are currently spread across three different locations in Sydney's central business district. The AAT plans to undertake fit-out works at 83 Clarence Street, Sydney to accommodate all staff and operations in the one location. The works are expected to be completed by March 2016. The project is expected to cost $21.1 million.

Co-location will allow the AAT to share resources and reduce floor space. The AAT has negotiated cost savings and lease incentives for the fit-out.

The committee received a briefing from the AAT and conducted hearings on 24 August. At the public hearing the committee received information regarding some of the special requirements for AAT fit-out. These will include office space for full-time tribunal members, as well as security and acoustic requirements needed for the hearing rooms.

The committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

The final project is for Airservices Australia and concerns constructing new equipment rooms in Melbourne and Brisbane. This committee has previously reported that existing air traffic management systems used by Airservices and Defence will be replaced by the OneSKY system.

OneSKY will run in tandem with the current system for a four-year period before it becomes fully operational. Airservices' existing equipment rooms in Melbourne and Brisbane do not have sufficient power, cooling, floor space or availability to accommodate both systems. Therefore Airservices proposes to construct new equipment rooms for the OneSKY system. The project is expected to cost $35.4 million.
The committee received a briefing from Airservices and conducted a site inspection and hearings in Melbourne on 25 August. Airservices told the committee that constructing new facilities at each location was the lowest risk, being the least disruptive to air traffic service delivery and safety—obviously something that is paramount in the air traffic business.

The committee notes that all federally leased airports are required to produce a plan for major developments conducted on site. This includes a public consultation phase and sign-off by the Minister for Infrastructure and Regional Development—and the minister for transport I would assume as well. As the public consultations are still in progress, the committee requires Airservices to report back on those outcomes, although the changes that we saw were largely already in designated blocks.

However, the committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

I commend this report to the House.

BILLS

Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015
Foreign Acquisitions and Takeovers Fees Imposition Bill 2015
Register of Foreign Ownership of Agricultural Land Bill 2015

Second Reading

Cognate debate.

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

Dr LEIGH (Fraser) (10:50): Foreign investment over the last two centuries has been important to the economic growth of Australia. In the 19th century foreign investment helped to build Australia's wool industry. In 1855 CSR's investment helped to shape our sugar industry. In 1877 we saw Schweppes, the United States firm, set up in Australia. In the 1920s we saw Kraft and Kellogg investing in Australia. Kraft would shortly afterwards buy Vegemite in 1935 and, as David Uren points out in his terrific book *Takeover: Foreign Investment and the Australian Psyche*, without foreign investment it is plausible that Vegemite would not have attained the success that it ultimately did under Kraft. Foreign investment in our beef industry from Britain, the United States and Japan has been vital to developing that industry. Investors like the controversial Vestey family, International Ranchers and King Ranch from Texas were important in building Australian beef. Kodak set up here in 1908, Coca-Cola and Heinz in the 1930s. And one can never discuss foreign investment without recognising the role of foreign investment in our automotive sector. Over the course of the 20th century, cars were built in Australia by a range of foreign automotive firms including General Motors, Ford, Chrysler, Leyland, Toyota and Nissan. The withdrawal of that foreign investment, goaded in part by the Treasurer's calling on Holden to speak out or pack up, has been damaging to Australia. The removal of foreign investment has been damaging, just as the addition of foreign investment has been beneficial.

After World War II we saw a strong inflow of foreign investment into the manufacturing sector, particularly from the United States, with many United States officials in that period noting the benefit of the Australian business climate as encouragement to them to invest. It is
ironic, I sometimes find, when you see News Limited tabloids running headlines such as 'It is time to save our farms from foreign investors' because, of course, News Limited is itself a foreign owned firm. Certainly some have argued that the Australian media sector has been one of those which have benefited from foreign investment. Without foreign investment in media there would be fewer journalists employed in Australia.

Australia overall has on one estimate one in eight of all workers employed by a foreign owned firm. We have foreign investment in part because almost all of the past 2¼ centuries has seen us with a current account deficit. While there have been an occasional year or two, as David Uren points out, where we have had a current account surplus, over that period there has not been a decade of current account surpluses. Australians save, and our savings rate has gone up over the past decade. But we are a capital hungry nation. There are many investment opportunities here in Australia and that makes us an attractive destination for foreign investors.

Foreign investment is of a piece with the internationalisation of other parts of the Australian economy. We are a nation where a quarter of us were born overseas and another quarter have at least one parent born overseas. They include my three children because my wife was born overseas. A fifth of the Australian GDP is made up of exports, and imports are a similar quantum. Naturally, Australians are outward foreign investors as well. Our outbound foreign investment has been about two-thirds the size of inbound foreign investment, going to destinations such as New Zealand, Papua New Guinea and Singapore. Overall, in agriculture, around one per cent of agribusinesses, according to the Australian Bureau of Statistics, have foreign or some portion of foreign ownership, and about 11 per cent of all Australian land is partly or wholly foreign owned.

Foreign investment in Australia has been hotly debated over the decades. David Uren quotes 'Black Jack' John McEwen saying:

We want US businesses here with all its magnificent skills of management at all levels but we don't want to be taken over. We will not be taken over.

He also then argued:

It is not good enough for this country to live by selling a bit of its heritage every year. We do not want to see Australia have its industries unduly owned in foreign hands.

McEwen continued to advocate against increasing foreign investment through the 1950s and 1960s. John Gorton, travelling in Britain, argued in 1969:

It has seemed to me that the posture of Australia in seeking overseas capital has been the posture of a puppy lying on its back with all legs in the air and its stomach expose saying, 'Please, please, please give us capital.' Tickle my tummy—on any conditions.

Critics of foreign investment like McEwen and Gorton have their heirs in the parliament today. The member for New England, Barnaby Joyce, and Senator Heffernan follow in that tradition of scepticism of foreign investment that runs strong within the Liberal and National parties of Australia. On this side of the House we have indeed had members who have doubted the benefits of foreign investment, but we do look to those such as Paul Keating, who once said:

I took the view that not only was it imperative that we leave the country open to funding the current account by more than simply portfolio investment but by direct investment as well. Therefore, we had to take a more liberal attitude to foreign ownership of various sectors of the economy. It was for these
reasons that I liberalised foreign investment. My general philosophic view of overturning the whole Deakinite legacy, which was my job to do, including tariffs, central wage fixing and the rest, a part of that was dealing with a phobia about foreign investment and more than a phobia a direct retardant to economic growth.

Senator Wong has also spoken firmly in favour of foreign investment. As David Uren notes: Labor has staked an even more liberal position than that espoused by the Liberals.

Indeed, that difference was highlighted when Archer Daniel Midlands made their bid for GrainCorp, a bid which those of us on this side of the House said, from what public information was available, we were broadly supportive of but which was ultimately blocked by Treasurer Hockey—the first major United States foreign investment bid to have been blocked.

David Uren goes to the history of the Foreign Investment Review Board. The Foreign Investment Review Board flowed out of the Chiko Roll. In 1972, US conglomerate ITT made a bid for frozen foods, and that led the McMahon cabinet to debate the question of whether there ought to be checks on foreign investment. Ultimately from that flowed the Foreign Investment Review Board. The Foreign Investment Review Board has counterparts in other advanced countries, but according to an OECD study by Takeshi Koyama and Stephen Golub, who categorise OECD countries by the degree of restrictiveness on foreign investment, where zero is unrestricted and one is completely restricted, Australia sits at 0.28—higher or more restrictive than the OECD average of 0.15. It means our foreign investment regime is more restrictive than that of Britain, Canada, New Zealand and the United States.

The Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 makes substantial changes, introducing civil penalties and additional and stricter criminal penalties to ensure that foreign investors and intermediaries do not profit from breaking the rules. It enables the transfer to the Australian Taxation Office of responsibility for regulating foreign investment in residential real estate and it enables the lowering of screening thresholds for investments in Australian agriculture. While Labor do not have a concern with the first two of those—the civil penalties and the transfer of residential real estate to the ATO—we are concerned about the lowering of screening thresholds for investments in Australian agriculture. That is a red-tape burden and sends a troubling signal to our overseas partners.

We can see that if we simply go through the countries that accounted for Australia's foreign investment inflows in 2013-14. At the top of that list is China, with $28 billion of inbound investment in Australia. Chinese investment would be subject, under the preferred approach of this government, to a $55 million screening threshold for agricultural land. Then we have the United States, responsible in that year for $17 billion of inbound investment, which will now be subject to a $1 billion threshold. Moving down the list, the seventh largest investor is Japan, with $6 billion of inbound investment, subject to a $55 million threshold, as is our 16th largest investor, South Korea, accounting for $2 billion of investment, with a $55 million threshold. Then there is New Zealand, our 18th largest inbound investor, with only $1.6 billion of investment and a $1 billion threshold, and Chile, which is not one of our top 18 investors, with a $1 billion threshold. So the approach of $55 million for some countries and $1 billion for other countries is not consistent with the neutral approach that Australian policy settings ought to be taking, whether they be in immigration or trade or investment.
We are not the only ones to be concerned about the degree of red tape. As Senator Wong has pointed out, the exposure draft and regulations account for more than 170 pages and are accompanied by a 105-page explanatory guide. It has been noted by the one of the Minister for Trade's own investment specialists:

… the new fees have fuelled the narrative around Australia being a high-cost destination to invest in.

The Office of Best Practice Regulation has revealed that the new red-tape burden that is being imposed by the government has been imposed without proper assessment of the increased regulatory burden.

Under the government's proposals, we have 22 different screening thresholds and categories, which vary depending on the value and type of investment and the nationality of the investor, and 33 different levels and categories of application fees, ranging from $5,000 to $100,000. The increase in fees is significant, and Labor will be guided by the response of the relevant Senate committee to these significantly increased fees. They will make Australia a less attractive investment destination. It is hard to see how raising the fees on foreign investments can do otherwise.

A final portion of the bill has a register of foreign ownership of agricultural land. The aim of that is to provide greater transparency around foreign ownership of agricultural land, and Labor support that part of this package. But we need to ensure that this is not being suggested as the sole solution to housing affordability. It worries me that the current Treasurer has made much of forcing the sale of a Point Piper mansion and that, somehow, that might improve housing affordability in Smithfield and Greystanes. If temporary migrants and non-residents are not following the rules, of course those laws should be enforced. But let us not pretend that forcing the sale of a mansion is somehow going to make it easier for struggling families to buy their first home. We need an overall package on housing affordability to deal with what is a significant challenge in Australian policymaking. The government needs to have that strategy rather than suggesting that forced sales of mansions will somehow do the job.

We also need to be a nation which is welcoming foreign investments, and that is why I took some time at the outset of my comments, drawing significantly on David Uren's new book, to talk about the history of foreign investment in Australia and to make the point that without foreign investment in Australia there would be fewer jobs and those that exist would not pay as well as they currently do. The National Farmers' Federation has estimated that for Australian agriculture to reach the capacity needed to meet rising demand, it will require investment of between $1.2 trillion and $1.5 trillion over the next 35 years. That investment will be harder to attract if we make the system more complex and raise the application fees.

It is no great surprise that this bill has been criticised by a number of parties. The Business Council of Australia, the National Farmers' Federation, the Food and Grocery Council, the Queensland Farmers Federation and the Chamber of Commerce and Industry of Western Australian have all raised concerns about the impact of this bill on creating jobs and economic growth in Australia. The government might slogan about being 'open for business' but, in reality, we have a government which is making foreign investment more difficult. There are not many coalition policies that you would imagine would attract criticism from the BCA, the NFF, the AFGC, the QFF and the CCIWA, but this policy has done that. That is a concern to those of us on this side of the House who are keen to see a strong relationship with business, a constructive relationship which boosts growth in Australia.
The application of the new rules has led to some bizarre outcomes. One of Australia's largest agribusinesses has been forced to make multiple applications for approval to purchase small parcels of land. In one case, a transaction valued at just $6,000 required a separate application. Every square metre acquired was, they said, 'a big complication'.

We need a government that engages in debate with the Australian public about foreign investment. It is a complicated debate. It is one which requires engagement and careful explanation because it has, over Australia's history, been too easy to engage in fearmongering about foreign investment. Given the benefits that have flowed in the past and the benefits that can flow in the future, we need a foreign investment regime that not only has a strong Foreign Investment Review Board carefully doing its job but has politicians who advocate for foreign investment that is carefully scrutinised under our current system.

Mr JOHN COBB (Calare) (11:08): I listened to what the opposition spokesperson had to say about the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, which we are debating together with the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015. I make this comment: nobody is more supportive of foreign investment than we are or I am. We just want to make sure we know where it is, who is doing it and that it is in Australia's interest.

Whatever may have been the case in the past, we are dealing with the present and the future. I think the free trade bills we have already put through, plus the one Labor are currently trying to destroy for reasons best known to themselves, put the lie, if I may put it that way, to a lot of what he said. We are of course very much committed to working at a global level with countries like China. We are encouraging them to invest and to create work and jobs in Australia.

This legislation ensures a welcoming environment for foreign investment but includes safeguards to enable us to detect investment that is contrary to our national interest. It will provide a transparent process and ensure more scrutiny of foreign ownership. The reforms include a more simplified, modern framework better targeted at meeting community expectations. It will introduce stricter penalties for foreign investors breaking the rules—and every country is different in this regard. The bill ensures Australian taxpayers will no longer fund the cost of the administration system for foreign investors—and that administration is no light task, no light task at all. This package will see a system that is open for foreign investment that will strengthen our nation's economy while ensuring we make strategic decisions for our country's future.

The Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 marks the biggest overhaul of the legislation in four decades. It will bring about stricter criminal and civil penalties to ensure investors and intermediaries do not profit from breaking the rules. Existing criminal penalties will be increased from $90,000 to $135,000 for individuals. Divestment orders will also be supplemented by civil pecuniary penalties and infringement notices for less serious breaches of residential estate rules. The Australian Taxation Office will take over the responsibility for regulating foreign investment in residential real estate. Third parties who assist foreign investors in breaking the rules will also now be subject to penalties. There will be stronger enforcement and auditing of existing rules to ensure better compliance. It is important those breaking the rules face ramifications and this bill will ensure a better system is in place to detect breaches.
The bill will also enable the lowering of screening thresholds for investments in Australian agriculture to ensure significant investments in this sector are overseen. Note that I said 'screening thresholds'—not 'stopping'. This is not about stopping investment; it is about knowing who is doing it.

Mr Fitzgibbon: You are hedging your bets now!

Mr JOHN COBB: It is good to see the member for Hunter in the House. It is good to see him here learning about foreign investment and worrying about agriculture.

From 1 March, the screening threshold was lowered from $252 million dollars—which clearly, in the case of agriculture, was something of a joke; a few years ago we thought there was probably only one property in the whole of Australia that would have come under that screening process—to a cumulative $15 million. Once again, it is not about stopping investment; it is simply so we know what is happening. As well, from 1 December 2015 a $55 million threshold, based on the value of the investment, will be introduced for direct investments in Australian agribusiness.

The Foreign Acquisition and Takeovers Fees Imposition Bill will introduce fees on foreign investment. Quite frankly, the administration of Australia's foreign investment framework is an expensive business, so this measure does make sense—that administration costs quite a lot of money. Those who are making the application will now have to pay the cost of the administration. That is estimated to represent about $735 million over the forward estimates. It will mean that foreign investors will not have to wait so long—because there will be more resources in the ATO to deal with their issues. To ensure a fair transition, there will be an amnesty period to allow foreign investors to check their compliance so that, if they are in breach, they can avoid penalties. Already the government has required the mandatory divestment of six illegally held properties under this program.

Quite clearly we should know who owns our agricultural land—and the Register of Foreign Ownership of Agricultural Land Bill will enable us to do that. It is an accident of process that, to the best of my knowledge, there is only one state in Australia—and it is your state, Deputy Speaker Vasta—that has a register of foreign ownership. Every other state in Australia, as far as I am aware, simply records the name of the entity rather than whether there is all or part foreign investment involved in it.

A lot of thought went into how to do a register. Initially, the thought was that we would get the states to register, but that does not actually deal with those properties that have already been purchased, wholly or in part, and whether it is a full or partial investment. Obviously it has to be retrospective or we would not know what is already held. It will be run by the Australian Tax Office, the ATO. Foreign investors will be required to give all essential information on their existing holdings and subsequent acquisitions of Australian agriculture land. From July, the ATO started collecting information on all new foreign investments in agriculture for the purpose of the register. That information will obviously include name, contact details of both parties, location and the size of the property. It will be on the legal owners, the foreign entity, to register the correct information about their holdings with the ATO, including the country of origin, their ABN or their Australian company number.

I think it is a common-sense thing for us to know who owns what in our country. This is not to stop them doing so but to ensure that we know. It is quite amazing to note the
differences around the world. In America, as far as I can see, each state controls foreign investment and some have carte blanche and some have none. That is within one country. Obviously, we are going to be a little more organised than that, but that is the way they do it. It is not about stopping foreign investment; rather, it is about implementing a more transparent application process. For those who trigger the screening process, it will be on a case-by-case basis. We expect the register to begin making aggregated information on foreign ownership and agricultural land available in the first half of next year, 2016.

As far as foreign investment goes, I am very much in favour of it. Australia needs it. Unfortunately, Australians seem to have something of a problem when it comes to investing in agriculture. Of course, I am not talking about farmers, who obviously invest. But Australian companies seem to have a bit of an issue with investing in their own country agriculturally. We get far more interest from trust funds overseas, particularly in the USA. It is about us talking our country up rather than down, and we, as farmers, do play a role in this. We are very prone to crying wolf sometimes when we should be praising ourselves about how good we are at it and how sought after our own products are around the world—for very good reasons. I am sure the opposition spokesman for agriculture would agree with me on that.

We have a long history as far as foreign investment. Government policies have changed over the years. When I was a young person, more of Australia—in acres—was probably owned by foreigners than is the case today. I am not talking about the value of land but the area of land, particularly in the north. I am sure more of it was owned by non-Australians than Australians. At that time, we were probably talking about English companies—who, in those days, we probably did not even think of as being foreign. So things do change—and they do change a lot. I am in favour of foreign investment. I think that most of us realise the necessity for it, but I think we also realise the necessity to know who is investing and where they are.

I would say to those who are nervous about foreign investment in land that you cannot take land and water with you. As far as the product goes, if Australia is in danger of not having a particular product, at the end of the day, the states control the buying and selling of land but only the Commonwealth can give an export permit for it to leave our country. I am not suggesting that we are about to use those powers but, at the end of the day, we do have the ability to ensure that a commodity does not leave Australia. I welcome foreign investment, but I also welcome the ability for our country to know who it is that is investing, where they are and if it is suitable.

Mr FITZGIBBON (Hunter) (11:19): You can hear the member for Calare moderating his language. Out there in the electorate, the Minister for Agriculture, the member for Calare and their partners in the Nationals are saying, ‘We can't have these Chinese investing in our farmland’—and the dog whistle is alive and well. But, when the member for Calare got to his feet in here, he could not say often enough, in very moderate tones, ‘Mr Deputy Speaker, this is not about discouraging investment in our farmland; this is just about making sure people know what is going on.' If only that were true.

We know what this is about. This is about introducing into this country for the first time in our history a discriminatory foreign investment regime. From the day this bill passes the parliament, if you are a citizen of the United States, a citizen of Chile or a citizen of New Zealand and you want to invest in Australian agriculture, you will face a billion-dollar screening threshold. If you are a citizen of just about any other country, in particular of Asia,
which is what the agriculture minister has in mind in particular, you will face a screening threshold of just $15 million for farmland and $55 million if you are classified as a stage 1 agribusiness processor or higher.

So let's not have one conversation outside of this place and another conversation inside this place. Members like the member for Calare need to be consistent and present their case for what it is, and that is a dog whistle to those who have unfounded fears about, first, the level of Asian investment in Australian agriculture and, second, how that might impact on Australian agriculture.

So that is just one thing this bill does. It also makes other changes to the Foreign Acquisitions and Takeovers Act 1975, including the introduction of civil penalties and additional and stricter criminal penalties to ensure foreign investors and intermediaries do not profit from breaking the rules. The bill also enables the transfer to the Australian Taxation Office of responsibility for regulating foreign investment in residential real estate, which will further enable stronger enforcement and better compliance with the existing rules. It also enables the lowering of the screening thresholds, as I have suggested.

Surprisingly, I want to go back and concentrate on the agriculture and agribusiness components, but I do want to say that the opposition, while not opposing the measures here, does not accept that the issue of Sydney property prices will be comprehensively addressed by these changes. Peak housing bodies such as the Property Council of Australia have expressed concern that, indeed, the bill may serve to undermine rather than promote housing affordability in our capital cities.

But again I want to return to what, for me, is the most important aspect of the bill, and that is the impact on Australian agriculture. It is well known that if we are to fully capitalise on the so-called dining boom—in other words, if we are to fully take the opportunity provided by global food demand and, in particular, growing demand for high-quality food amongst the growing middle classes of Asia—we will need substantial levels of investment in this country.

Let's just take stock of what is happening in agriculture, because it is a very interesting point. We all talk very optimistically about the future in agriculture, as we should, but it is fair to say that the challenges in agriculture are just as significant as the opportunities. For example, productivity in Australian agriculture has at best plateaued. More likely it is in decline, but at best it has plateaued. Government investment in research and development has shrunk in real terms. The rate of adoption and extension of that innovation is poor. Our share of global market trade is actually in decline, not on the rise. Our workforce is ageing. Our weather patterns are working against us. Our limited natural resources are more likely shrinking than growing. The allocation of those resources is in many cases inefficient. We remain too dependent on commodity markets where we are typically price takers, subject to the vagaries of global markets. And, very importantly, we are underdone in infrastructure terms, both on farm and off farm—off farm in particular, in just about every area: road, rail, ports and, indeed telecommunications.

So one of the key messages for Australian agriculture—or, more particularly, for governments which might seek to guide the future of Australian agriculture—in addition to productivity more generally, including the more efficient allocation of natural resources and the sustainable use of those resources, is how we attract the significant amounts of investment we will require to fully capitalise on those opportunities.
I welcome the Minister for Agriculture here. It is good to see he is speaking in another debate on the second reading of a bill. It is becoming a regular practice, although he was not prepared to do so on the Environment Protection and Biodiversity Conservation Amendment (Standing) Bill 2015 last week—but I will return to that.

But how do we attract this investment, and how much will we need? I have cited the Greener pastures report here before, and I give credit to the member for Hume, who was, I think, one of the primary authors of the report. Amongst other things, it suggested that out to 2050 we would need $600 billion—that is with a b—worth of investment in agriculture if we are to fully realise our dreams. It is axiomatic that, as an island continent with a population of 23 million or 24 million people, we just do not have the domestic savings to meet that hunger for investment. On that basis, as has always been the case, as a country we will remain heavily reliant on the savings of others for that investment. There is a lot of talk about our domestic superannuation funds, and like everyone in this place I would like to see more of our domestic savings through our superannuation funds going into Australian agriculture, but even if we took all of it it would not be enough. So we need this investment desperately.

So the question becomes: does this bill enhance our prospects on that front or make it more difficult? It is fair to say that this bill sends all the wrong signals. Competition for capital around the world is intense, and those looking to secure returns in agriculture as an opportunity to exploit growing demand around the world have many choices. They can invest in places like New Zealand or South America, or they can come here to Australia. Of course they will look at where the returns are, but they will also look for the path of least resistance. All this bill will do is create a huge logjam at the Foreign Investment Review Board, which will be dealing with hundreds and hundreds and hundreds of applications which, in the scheme of things, are an 11th-order issue and are unlikely to derive an adverse report of any description from the FIRB. This bill will send away foreign investment in this country. It is also a gouge. It dramatically increases application fees, putting money into the coffers of this government but at the same time acting as a further disincentive to that investment.

I return to what I said in the beginning: this is just a dog whistle. This is a message to rural Australia, feeding off those concerns people have—legitimate concerns, mainly due to misinformation about the level of Asian investment in Australian farmland. We recognised this concern in government, and we were the first to suggest that we should have a foreign investment register in this country. We left office before we had the opportunity to implement that. The now government said it would do the same. It has taken two years for it to do so, and we are told that we still will not have a register until about January next year as I understand it. That will be well on track to three years that it has taken this government to do the most important thing, and that is to build transparency into the equation so people, with the click of a mouse, can quickly see who is investing in what where and how much they are paying. That is what we need. We need, as leaders in this place, not to be fuelling the misunderstandings in the regions and the unnecessary concerns, but to be showing leadership and demonstrating to people—showing people and helping people to fully comprehend—that foreign investment in our agriculture sector is unequivocally a good thing. We simply cannot get enough of it.

I have mainly spoken about agriculture; I should say something about agribusiness. We do have a future in food manufacturing in this country. We must have a future in food
manufacturing in this country. We have a very solid food manufacturing sector in this
country, when you think of meat processing and dairy, for example, as key manufacturers—
and they are, and they have a very bright future. The range of the endeavours in the future will
be almost limitless, if we are smart.

We do need to make sure that we do not put unnecessary red tape in the way of those
investors. And this bill does that for agribusiness. It goes to the first-stage manufacturers.
That means someone who is producing a jam, for example, gets caught up on this.

If we want to expand food manufacturing we need investment, and this is the wrong way to
go about it. Dare I say, country-of-origin labelling is a bit the same. Asking people to
implement this thing—after this government procrastinated for so long—within six to 12
month periods will cause unnecessary red tape and compliance issues and cost; that is
something that this government said it was going to do just the opposite of.

The opposition does not oppose these measures. We will send them to a Senate committee,
though. We will have these discriminatory thresholds scrutinised for the likely adverse
impacts on Australian agriculture and Australian agribusiness.

It has been a tumultuous week in Canberra, with the execution of a first term Prime
Minister. That is obviously going to cause disruption right across the government. The
minister at the table, Minister Joyce, made it clear in the lead-up to the change that he thought
that the bloke from Point Piper was likely to produce bad results for rural and regional
Australia. I share those concerns about the extent to which the new Prime Minister
understands the needs and aspirations and challenges of rural and regional Australia. But it is
very clear that in particular the Minister for Agriculture has very grave concerns about the
leadership change and what it may mean for rural and regional Australia. To his credit, and
typically, he made those concerns very well-known in a very, very public way. The problem
now is that he has gone very quiet. He now claims that he has an agreement. He has an
agreement with the new Prime Minister that is going to do wonderful things—it is as if he has
extracted all of these concessions from the new Prime Minister that are going to change the
face of rural and regional Australia. The only problem with that is that he has given us no
details. He has given us no details of these concessions that he has extracted—with great pain
to the Prime Minister—from the new Prime Minister. The details are very vague, at best, in
this new red-hot deal that he has for rural and regional Australia. We are told that the Prime
Minister has promised that it will take the effects-test back to cabinet. But there is no promise
that it will have an effect, and of course that is causing an enormous rift, not only between the
National and Liberal parties, but of course for those within the National Party; there seem to
be a few different views.

The DEPUTY SPEAKER (Mr Broadbent): There is no rift between Mr Joyce and me,
Member for Hunter.

Mr FITZGIBBON: I beg your pardon?

The DEPUTY SPEAKER: There is no rift between Mr Joyce and me.

Mr FITZGIBBON: Oh, I absolutely accept that and respect that, Mr Deputy Speaker. But
the minister at the table can fix this today if, when he rises to his feet, he simply tables the
coalition agreement. What is the big secret, Minister? Surely the Australian people,
particularly those living in rural and regional Australia, are entitled to know the basis on
which you have now rolled over, to exclaim that you think the election of Malcolm Turnbull—the boy from Point Piper—is a good thing for rural and regional Australia. It is very simple, Minister: just get to your feet—

Mr Joyce interjecting—

Mr FITZGIBBON: when I sit down in nine seconds time, table the coalition agreement, and show us, in writing, what these concessions are that you extracted from the Prime Minister, because I think they are nil. (Time expired)

Mr JOYCE (New England—Minister for Agriculture) (11:35): It is great to be able to rise to my feet to show yet another issue that the National Party has been in pursuit of being delivered, which is the change to the Foreign Investment Review Board guidelines. So often, I rise to my feet to say: 'The issue with the Labor Party is that they just don’t have any policies. The only thing they can ever do is comment on our policies—our agricultural policies—because they just do not have any.' But today that is not the case, because we do have a difference in policy. We believe that the Australian people have a right to review when an individual from overseas buys a property worth $15 million or more. That is our view. We believe that people have a right to know, because it is their nation.

Mr Fitzgibbon interjecting—

Mr Clare interjecting—

Mr JOYCE: And the Labor Party have a position too—and to the people of Canning: I hope you hear this. The Labor Party believe that you do not have the right to know until a purchase goes over $1,000 million. In Canning, a person from overseas can buy the north of the electorate on Monday, the south of the electorate on Tuesday, the west of the electorate on Wednesday and the east of the electorate on the next day, and it never has to go the Foreign Investment Review Board. It never has to go there. Well, this is the difference, and this is a sign that the Labor Party, when it comes to agricultural land in this nation, has just completely and utterly lost the plot and is obviously not talking to the people on the land. They want to know. They have a right to know. It is, after all, their country.

Even today, we had the shadow minister at the dispatch box talking about concerns with Asian investment. It is not the Asian investment review board; it is the Foreign Investment Review Board. He is deliberately, once again, stoking the fires that he has started—fires that he can see in The Weekly Times, today, where they are saying, 'Save the FTA.' Who does not want to have a free trade agreement? Who has been ambiguous at best about a free trade agreement with China—our biggest agricultural trading partner? It is the Labor Party. The Labor Party is standing in the way of our negotiations with our biggest trading partner. And it is not just the tariffs that will be removed if we get this through, it is also the sentiment—and that is just as powerful. I thought that someone from the Labor Right would have the capacity to stand up in their caucus and take on those former grandchildren of the BLF and make sure that this free trade agreement goes through. But, of course, you will not do that because you do not have the ticker to take them on.

So here we are, we are supporting this—I am proud to say that it is a policy that the National Party has been pursuing, and it is great to see it delivered—and making sure that the Australian people will have the right to review land purchased that is valued at more than $15 million—not banned, reviewed. It can be paid for if there are lots of people—you are saying
lots and lots of people coming to buy land. I am not surprised; it is a great asset. That is why ABARES today has told us that gross agricultural output will go up by eight per cent—remarkable! What a marvellous government; what a great outcome. Somebody must be doing something right. And of course it is.

Let me go through some of the pertinent details of this. When you say the United States, you are dead right: in some states of the United States foreigners are not allowed to buy land at all. They are just not allowed. If I go to China, I cannot buy land at all. I am not allowed. Not even their own people are allowed. If you go to Japan, you cannot buy it; Korea, you cannot buy it; Indonesia, it is highly restricted. Even New Zealand is vastly more restricted than Australia. Australia remains the most liberal country on earth, and the Australian people have a right to know what is happening in their country. We are going to give them that right. And the people who are standing in the way of that right, the people who want to change it so that you do not know, who want to keep it hidden from you, are the Australian Labor Party. Isn't that bizarre? They have one position where they want to block the Chinese free trade agreement—and we know exactly why they are doing it; it is just dog whistle politics—and yet they have another position on this: when we say that Australian people have a right to know, they do not believe in that. Do not tell the Australian people; do not let them know.

This bill comes in three parts. The first one is the reduction in thresholds, and one part of that is agribusiness. Agribusiness, by its own function, has the capacity to dominate large sections of an agricultural precinct. If you control a sugar mill you, naturally enough, control all of the sugar farms around it because they do not have the capacity to just pick up their product and take it somewhere else; it is vitally important. If you control an abattoir in a certain area, you might control a certain line of cattle that certain people produce, and that can have major effects. If you control certain strategic assets in certain areas—dairy production facilities—inherently, ipso facto, you have control over the farms. We have seen this. Certainly the best example is in railway lines. Once people have control of a railway line, they just keep on putting up the prices to take the margin from all of the people who have to move their produce by rail. We do not want that; it is not good for our economy. We want to make sure that we have a strong economy, and we want to make absolutely certain that the Australian people know what is going on.

We have already started the passage of this: as of 1 July, the Australian Taxation Office will start delivering the information so that Australian people can basically see who owns what. That will either dispel people's concerns, or maybe, in some instances, it could confirm people's concerns. One of the most sacred duties we have is the proper oversight—

Mr Fitzgibbon: Show some leadership!

Mr JOYCE: and control of the land we stand on. I think that is a sacred responsibility. It is a responsibility that is conveyed to us up and down the countryside.

Mr Fitzgibbon interjecting—

Mr JOYCE: There is a concern, that we have taken on board through this process, that we make sure there is better transparency. One of the inceptions of this process was the Cubbie Station issue. This was then brought forward as an issue to try to make sure that those concerns that were evident in the past are dealt with—that is what you do in government, you try to deal with concerns.
Mr Fitzgibbon: How's Cubbie going?

Mr JOYCE: But I am still waiting for a policy from the Australian Labor Party on agriculture. They say it is so important, but we have never had any policy from them. They can comment on our policies because we have them, we have the white paper—

Mr Fitzgibbon interjecting—

Mr JOYCE: The white paper is out there. We are changing farm management bonds to $800,000 and we are going to allow people to offset them against the loan that they have got. We are making sure that we have the capacity to pull more of our product through by making sure that we have, in countries such as China, such as Thailand, such as Korea, invested in the resources in those countries so that we can deal with the issues of—

Mr Fitzgibbon interjecting—

Mr JOYCE: And he keeps on interjecting because he has got nothing.

Mr Fitzgibbon: I just don't understand what you're saying.

Mr JOYCE: I will take the interjection. He is so concerned that the National Party would go into bat for our constituents and deliver a great coalition agreement, an agreement that gets more for our people. It is more than what you, of the Labour Party Right—at least, that is what you use to be a member of—

Mr Fitzgibbon interjecting—

The DEPUTY SPEAKER (Mr Broadbent): I am not taking the interjection.

Mr JOYCE: Do not allow the interjection! I know how upset you are, to turn on the television set to find, once again, the National Party going into bat for their people. I know how galling that must be, when you are standing there going into bat for the Greens, going into bat for GetUp! and going into bat for the BLF—Norm Gallagher's grandson! When are you going to have the ticker to stand up to your people and get the Chinese free trade agreement through?

When are you going to do it? If you could do one thing for agriculture, it would be to get that through. It is the only part of your portfolio where you actually can be relevant, and you can be relevant today.

You can come to the dispatch box today and say that you are going to make sure that the Chinese free trade agreement goes through. You can stand in line with the National Farmers Federation, the Victorian Farmers Federation, the Tasmanian farming groups and AgForce. You can stand in line with Jay Weatherill and Annastacia Palaszczuk. You can stand in line with the Premier of Victoria, Daniel Andrews. You can stand in line with them and our nation and get this agreement through or you can stand in line with the BLF. You can make that choice today. If you have got the ticker to do it, you will do it.

The DEPUTY SPEAKER (Mr Broadbent): I think we should begin to refer to the bill.

Mr JOYCE: Mr Deputy Speaker Broadbent, this is about foreign investment. Of course we want foreign investment. We want a proper review of foreign investment. We want to make sure that not only is there foreign investment going into our nation but that we have the capacity to export our product from our nation.
If in the near future—because this has got to go through by Christmas; the Chinese free trade agreement has got to be finalised by Christmas, and we do not have that many more weeks in this parliament. We are relying on the cooler heads, the sensible heads, in the Labor Party to stand up for common sense. If there is one portfolio that has that responsibility, it is agriculture, but we have not heard a whisper out of the member for Hunter about trying to get the Chinese free trade agreement through. We have had commentary on our policies, because he has got none.

Mr Fitzgibbon interjecting—

Mr JOYCE: He is sitting over there like a babbling brook—commentary on our policies, because he has none—but he does not have the ticker to stand up when it really matters.

In conclusion, we are proud of the changes to our Foreign Investment Review Board guidelines, because we believe in the right of the Australian people to understand who owns what. We reacted to what they have asked of us and we have delivered by bringing about these changes. Soon it will be discernible for all—like a Terrence Alick map, which you get in Queensland, that notes all properties—to see who owns what. We believe it is a right, and I think, actually, you support that section. The process has already started.

We also believe in this bright agricultural future, the biggest turnaround in agricultural soft commodity prices in living memory—something that this government can actually deliver; something that you have been nothing but obstructionist about, that you have done nothing for. I can point to two things straight off the cuff—if you want to know about Labor Party policies, I will give you the two big ones: they banned the live cattle exports and absolutely destroyed the cattle industry. You think they would have learnt their lesson but they said, 'Oh no, that was in the past. That'll never happen again. We'll never do that again. We've learnt our lesson. We'd never be that destructive. We'd never be that obstructive. We'd never be such dilettantes that we would make such a catastrophically stupid mistake ever again.' And here they are: back into it. They are about to stop the Chinese free trade agreement. Why? Because they want to stand up for the BLF and they do not want to stand up for the Australian people.

Mr THISTLETHWAITE (Kingsford Smith) (11:48): In June of this year, Sydney's median house price hit $1 million. This represents a 23 per cent increase on the previous year and the quickest rise in house prices since the late 1980s. Housing affordability is a massive issue in my community and not a week that goes by where I do not get a phone call, an email or a comment from, in particular, parents who are deeply concerned and worried about housing affordability; and the ability of their children and grandchildren to be able to afford to live in the community that they have grown up in and that their family resides in.

Housing affordability is a big issue. It is an issue that this government appears to have ignored. In this bill they are attempting to paper over the heart of the issue and look like they are doing something and taking action. When you look at the details of this bill and read the fine print in the explanatory memorandum, it is actually not what they are doing at all; it is just a papier-mache exercise.

There isn't much about this government that isn't inconsistent. As we have seen in the last 24 hours, it doesn't matter what it is: whether it is the promise not to cut education, health, the pension, ABC or SBS—or indeed not to cut down a first-term Prime Minister—this government cannot be trusted to do what is in the best interests of the Australian people.
One of the key figures in the events of the last 24 hours—and perhaps even one of the key reasons for the events of the last 24 hours—the Treasurer, has been infamous for some of his offensive comments about economic management and, in particular, his offensive comments to working people. In the context of housing affordability, the Treasurer put his foot in it some months ago when he said that those who cannot afford to get a foothold in particularly the Sydney property market should just go out and get another job—a better-paying job.

If you are a nurse, a teacher, a childcare worker or a builder working in my electorate, it is not that easy. You cannot just walk into the boss and say, 'You should pay me more, because I'm living in an expensive area' or 'You should give me a promotion, because I'm living in an expensive area.' It is a clear insight into just how out of touch this government is when it comes to housing affordability. This particular bill is a bandaid solution trying to look like they are doing something on the issue. The Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 is a classic example of that.

This package introduces fees on foreign investment applications, which will ensure all Australian taxpayers no longer fund the administration of the system while providing additional resourcing to the Treasury and the ATO to improve service delivery for investors. Labor does support this element of the bill. If temporary or nonresidents do not follow rules then any allegations of this need to be thoroughly investigated and, if there is found to be a breach, individuals prosecuted. But we are also conscious of the fact that this is not the silver bullet to housing affordability. This is not going to cure the issue of housing affordability as the Treasurer and those opposite have said in this debate. Finding and forcing the sale of one Point Piper mansion is not going to do much for a young family in Botany, Maroubra or Randwick who are struggling to afford to buy a new home.

That is exactly what we are talking about in respect of this bill. It purely relates to the application of the system and the fines that are associated with the system when someone is found to have breached the rules and also the administration of the system. There is no doubt that foreign investment has had a positive impact on housing supply in Australia. If Mr Hockey seriously believes that, by eliminating foreign investment in the Australian market, property price rises will ease, I think he has another think coming. It is not simply about foreign investment. When you look at the existing supply of housing, particularly in my area, it is not foreign investors that are competing for the existing supply of housing. In fact foreign investors are prohibited from investing in existing property. They may only invest in new housing stock. The philosophy behind that is to grow the housing stock but also to support the construction industry, and by all accounts that has worked well.

The important point from this element of the three bills that are being debated here today is that every dollar that is secured by this fee that applicants will have to pay must be ploughed back into the administration and enforcement of the regime. I was fortunate to sit on the economics committee review into the foreign investment regime in residential property in Australia, and the evidence that came before the committee was that the system has been lax, that the Foreign Investment Review Board and Australian Taxation Office have not been diligent in enforcing the rules. So the money that is raised from this scheme must be ploughed back into those agencies so they are given the resources to ensure that they are enforcing the rules.
Another element of this bill is the foreign investment in agriculture and agribusiness through the Register of Foreign Ownership of Agricultural Land Bill 2015—the register bill. Investments in agriculture in particular in Australia are vital to achieving our potential and maximising our nation's future prosperity and productivity, and investment in agriculture and agricultural land is very important for the productivity and liveability of rural and regional communities. The problem that we have with this particular element of these three pieces of legislation is the government's differentiated thresholds that have been applied to different countries, serving to hold the industry back.

Let's not beat around the bush here. This is purely political. The differing thresholds are purely a National Party stunt. The differing thresholds are that the government has reduced the investment screening threshold for agricultural land to $15 million for investors from China, Korea and Japan. Anyone or any business from those nations that wishes to invest in agricultural land at the $15 million threshold will need to go through a Foreign Investment Review Board process. But, if you are from Singapore or Thailand, the threshold, amazingly, increases to $50 million. If you are an investor from the United States, New Zealand or Chile, the investment jumps to $1,094 million. So there is this clear discrimination in the thresholds that apply to China, Korea and Japan; Singapore and Thailand; and the United States, Chile and New Zealand.

I have a friend who works in China who contacted me recently regarding the debate about the FTA and encouraging Chinese foreign investment in Australia. He said to me: 'I cannot work out what's going on with the Australian government. On one hand you're negotiating a free trade agreement with China and attempting to open up and encourage greater flow of goods and services between our two nations, but on the other hand you're increasing the barriers and making it harder for Chinese businesses to invest in agricultural land. It doesn't make sense.' That is exactly the view that we have expressed in respect of this bill: it does not make sense. The discriminatory nature of those thresholds does not make sense and will put a brake on important foreign investment, which drives jobs growth, productivity and growth within rural and regional communities.

Furthermore, the new $15 million threshold on investment in agricultural land even applies where an existing investor seeks to make improvements to their property. Buying a small adjoining parcel of land, perhaps to facilitate significant investment in improved farm infrastructure, triggers a Foreign Investment Review Board review if it takes the cumulative value of the investment above $15 million. So the new rules are not just a deterrent to new investment; they also create disincentives for existing investors to improve their operations, and that is very important for productivity. If you are talking about improving the productivity of the land that you may be farming or operating on, providing space for new machinery or new operations is very important. This legislation, if it is passed, will provide a disincentive to that. The government is also proposing to reduce the screening threshold for investments in agribusiness to $55 million and to define agribusiness to include around half of Australia's food manufacturing industry. Again discriminatory rules apply, with investors being treated differently depending on their country of origin.

The final piece of legislation is the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015. This bill makes substantial changes to the Foreign Acquisitions and Takeovers Act 1975 to modernise the rules and strengthen the enforcement of foreign
investment in the system. The bill introduces civil penalties and additional and stricter criminal penalties to ensure foreign investors and intermediaries do not profit from breaking the rules. The bill enables the transfer to the Australian Taxation Office of responsibility for regulating foreign investment in residential real estate, which will further enable stronger enforcement and better compliance with the existing rules. The bill also enables the lowering of screening thresholds for investments in Australian agriculture to ensure significant investments in this sector are scrutinised.

The government has made a massive song and dance about the efforts to cut red tape, most notably through their red tape repeal day bills, which turned out to be little more than a massive exercise in proper punctuation. In some cases these involved little more than changing the word 'facsimile' to 'fax' or changing the spelling of the word 'email' and claiming them as massive reductions in red tape for businesses throughout the country. In this year's budget the government also announced $735 million in new application fees for foreign investors; so, in some respects, it is actually increasing red tape for many foreign investors. It is making Australia a less attractive investment destination while making it harder for the agriculture and agribusiness sector to raise capital. They are the concerns that Labor has about this particular piece of legislation. It is no surprise that, in respect of these new barriers to entry and red tape on foreign investment, the government has been criticised by many organisations including the Business Council of Australia, the National Farmers' Federation, the Australian Food and Grocery Council, the Queensland Farmers Federation and the Chamber of Commerce and Industry of Western Australia.

Once again, with this bill we are seeing little more than bluster and no action from the government when it comes to really tackling the issue of housing affordability. By contrast, Labor is attempting to listen to the community. That is why we have not ruled out changes as part of the taxation review.

In conclusion, in many respects some of this bill is nothing more than a ruse. Whilst I do support elements of the bill—in particular, those provisions that relate to covering the costs of the operation of the foreign investment review scheme—it is important that the funds raised from that increasing cost are ploughed back in, particularly into research by the Foreign Investment Review Board and by the Australian Taxation Office, and into giving both of those organisations the necessary resources to police the scheme and, where appropriate, to undertake prosecutions.

Mr EWEN JONES (Herbert) (12:03): I rise to speak on the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015. In doing so I would like to put out there from the very beginning that I love foreign investment, my city loves foreign investment and our country has loved foreign investment since 1788. One of my previous bosses, Richard Ferry—a great real estate agent and raconteur around Townsville—started his life as a jackaroo but ended up working for Elders. He was at Charleville, standing under the wing of a DC-3 when Lord Vestey came through to inspect his sheep flock when Lord Vestey owned most of western Queensland and basically all of northern Australia. We have loved foreign investment since then.

The beauty of foreign investment is that it crunches the time for you. In Australia today we do not have enough cash in our society to fund our own mortgage system, let alone to build the roads, bridges and other infrastructure we need to become a powerhouse into the Asian
century. We need that foreign investment to be able to build the things we need, so that we can improve our trade routes and raise our productivity. It would crunch the time for doing the Bruce Highway from the 60 years we would have to wait until Australia could afford it down to just the 10 years that Minister Warren Truss is talking about at the moment. Those are the sorts of things that foreign investment can do. It can raise these things. It also brings the impetus to make sure we are staying on top of those things.

Foreign investment is vital to developing northern Australia as well and to creating the economic growth and the jobs that north Queensland needs, but we need to have the right safeguards in place to protect our national interest whilst welcoming foreign investment. This bill ensures our investment framework walks that line. The big thing about this is that it was a commitment that we made going into the 2013 election. It was one of those things that we said we would do, and here it is—hey presto! Surprise, surprise—we are actually doing it.

This bill implements a number of changes to the foreign investment framework, including the key previously-announced commitments of lowering screening thresholds and establishing a land register for agricultural investment, to increase transparency. One of the things people talk to me about in my city of Townsville is who owns what. We want to know. People want to know and want to be aware of it. They are not anti foreign investment; they are not anti any particular country; they just want to know what is going on and what is happening in their communities, because of a lot of the things that we see. One of the worries we have in my city is that the profit no longer stays in the region. We have to make sure that our farms and our agricultural land are managed and that they prosper, so as to make sure that jobs in the towns, and then the cities, are fostered.

It will impose a stricter penalty regime to allow pursuit of foreign investors who are breaching the rules. You have seen the Treasurer, Joe Hockey, doing that in Sydney on a number of housing purchases. It establishes fees on foreign investment applications so that the taxpayer will no longer fund the cost of administering the application screening, and it will transfer responsibility for regulating foreign investment in residential real estate to the Australian Taxation Office, so that we do know who is buying what and why. And there are measures to modernise and simplify foreign investment legislation.

The Labor Party support the register but oppose lowering the screening thresholds, even though we won the election with these as our policies. They oppose the application fees because, once again, Labor will stand in front of absolutely anything that does anything towards bringing money into the government. They oppose the penalties for people who flout the rules. So, again, what Labor stand for is flouting of the rules and getting away scot free from anything. As to the ‘additional red tape on foreign investors’, I do not see this as additional red tape; I see this as just changing numbers on the existing red tape, and I think everyone is there.

I have recently been to China and have had conversations with Chinese investors in Australia. They are quite comfortable with this. They understand the difference between international relations and local politics and what we have to do as a country. China have a lot of laws themselves that we disagree with, and yet we are still able to manage a relationship between the two peoples and between the two countries.

This fulfils the coalition’s election commitment to lower screening thresholds and create a foreign ownership register of agricultural land.
The package of bills will make important changes to strengthen the integrity of our foreign investment framework, ensuring that Australia maintains a welcoming environment for investment that is not contrary to its national interest. The Treasurer has been in front of the people in relation to this. This is what happens inside Australia. This is not about our relationship with any other country; this is something that we are doing for Australians to make sense to Australians. For years we have wanted to know who owns what in this country, and we have never been able to. This legislation actually makes that possible.

These bills implement the reforms that were announced by the government on 2 May 2015 to ensure that, from 1 December this year, the Australian foreign investment framework is more modern, simpler and better targeted to changing demands and community expectations. That is what we are reflecting here: the community expectations. These changes will deliver a robust regulatory framework, increasing community confidence and providing a predictable and welcoming environment for investors. As I said, when I speak to people who have come to Townsville, Charters Towers and the Burdekin—and when I was in China—they understand the difference between international politics and local politics. They understand the need for locals to be catered for, as every sovereign nation does around the world. The bills are about welcoming essential foreign investment that is not contrary to our national interest, investment that strengthens Australia's economy, creates new jobs and unlocks innovation.

The Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 represents the most significant overhaul of the Foreign Acquisitions and Takeovers Act 1975 since its introduction, almost 40 years ago. It provides essential changes to simplify the system, strengthen the framework and ensure that the rules are enforced. I will just digress a little bit here. I heard the previous speaker, the member for Kingsford Smith, talk about the Standing Committee on Economics, which looked into this. I think credit must go to Kelly O'Dwyer, the member for Higgins, for the work that she did on this in maintaining the debate and getting the result that the people actually understand. People understand exactly why we are doing this and the outcomes from it and that we are still able to organise everything that happens around the world without having to worry about this.

The bill introduces additional, stricter, civil and criminal penalties to ensure that foreign investors and intermediaries do not profit from breaking the rules. We have seen the stories in Sydney, particularly in the housing market, in relation to people not following the rules, and we have seen a Treasurer who is prepared to act. I think that one of the things that Joe Hockey will always take with him on this is his statement that he was prepared to act. We have a government that says what it means, means what it says and follows through.

The bill enables the transfer to the Australian Taxation Office of responsibility for regulating foreign investment in residential real estate, which will further enable stronger enforcement, audit and compliance with the existing rules. I know that there is debate, and this is all about Sydney. But, when you go to places like Cardwell, Charters Towers, Tully, the Burdekin, Ayr and Home Hill, they want people to come in and buy their houses. They want people to come in and build houses. They will do anything to fix those things up and make sure that our communities are growing. So, whilst I understand the reticence and the alarm that people in Sydney are feeling in relation to this, when it comes to my city of
Townsville, we welcome people wanting to come here and build and buy houses and units, all the time.

The bill also enables the lowering of screening thresholds for investment in Australian agriculture, to ensure that significant investments in this sector are scrutinised. I think what you are looking for here is people making sure that we know what is going on. No-one is saying no to foreign investment here. We do need to make sure that we know who owns what. In my city of Townsville, that is the No. 1 question. We are not worried about which nationality owns it; we want to know who owns it and what is going on there. I will have more to say about that specific thing in a minute.

This bill introduces fees on all foreign investment applications from 1 December 2015. Fees on foreign investment applications will ensure that Australian taxpayers are no longer funding the administration of the system. Whilst we welcome foreign investment, we put these fees in place. We have to make sure that the Australian taxpayer is not carrying the burden here. If you are coming to buy in Australia, the Australian taxpayer must end up in front in the transaction. There is nothing wrong with that.

It will also provide additional resourcing to Treasury and the Australian Taxation Office to improve service delivery for our investors. It is about streamlining the system. It is about reducing the red tape and moving to the one thing so that you can get the answers quickly.

The Register of Foreign Ownership of Agricultural Land Bill 2015 complements these changes by establishing a register of foreign ownership, operated by the Australian Taxation Office. Foreign investors are required to register essential information about their existing holdings and subsequent acquisitions of Australian agricultural land, providing greater transparency around foreign investment in agriculture. That is important.

With this package of bills, the government are fulfilling our commitments to increase scrutiny and transparency around foreign investment. That is going to be well received, certainly in my community and around North Queensland. We reduce red tape and ensure that Australia remains open for business. Industry consultation has occurred throughout the policy development process and the drafting of this legislation, including releasing exposure drafts of the relevant bills.

Can I just go quickly to the thresholds that are imposed here. The $15 million threshold which will come in now will apply to the China-Australia Free Trade Agreement, and everyone is happy with that. It is negotiated; it is in the agreement; and the Chinese are happy with that. They understand what the rules are. The billion-dollar threshold for previous agreements is in the agreements we struck with those countries at that time. We do not believe in going back and changing the agreements. That goes to why legislation cannot be thrown around and cannot be mucked around.

I want to finish by saying that I have been involved in sales as an auctioneer and as a real estate agent for 25-years. Never in my career—not once—have I taken an offer which was accepted by a vendor where the vendor has said, 'What nationality is the vendor?' To people who fear foreign investment, I say: 'If it is not for sale, they can't buy it.' If they are making the best offer, we expect, as an agent and a representative of the vendor, that we will present the best possible offer to our vendor, and if that comes from overseas that is fantastic. To the people who sit there and say that we should knock back foreign investment in my region and
that we should not have foreign investment in our society or the people in my region who fear this, I say, ‘You shouldn't fear this, you should welcome it.’ This is positive; this is about what we do to set up our country.

I see a bunch of school kids have just walked into the viewing gallery upstairs. I say good afternoon to them, and I say that what we are doing here with the foreign acquisitions and takeovers bill, with the China-Australia Free Trade Agreement and with the agreements with Korea and Japan is not about us here in this room; this is about your future. This is about the future for you, so that, when get out of school, you can go to these countries and you can make your fortune there while still basing yourself in Australia. This is what we are trying to do here. The thing I like about the youth of today is that they are not afraid of foreign investment and they are not afraid of people of other ethnicities—where some of my generation and older do have this fear.

When we look at foreign investment we need to look at it through the eyes of what is going to happen in 25 to 30 years. In the late 1980s, 25 to 30 years ago, my bosses bought their first mobile phone, in the late 1980s and it cost them $2,500 to have it fitted to the car. It cost $2.500 for a car phone, and you would not use it because it was so expensive to use it. To use the fax machine you almost had to have a university degree. Think about how much smaller the world is today. The iPad was introduced into this parliament by the member for Watson in 2010. In a world that is continually getting smaller, what we have to do is understand that capital is more fluid and we need foreign investment. We need foreign capital in this country; otherwise, we will not have the roads, we will not have the bridges, we will not have the airports, we will not have the airplanes and we will not have the trade.

If we in this parliament do not do this right now, when you guys finish your university degrees or your apprenticeships—and come out as electricians or landscape gardeners et cetera—and you think to yourselves, ‘They are doing a lot of work on the environment in China; we should probably go over there and have a look at this to see if we can add to what they are doing,’ you will not be able to, and you will look back on this parliament as people who squibbed it. You will look back on this parliament as the people who put out robocalls from the Labor Party and the CFMEU to people saying that we have to be afraid of foreign investment and we have to be afraid of what the Chinese bring to Australia through this China-Australia Free Trade Agreement. If we do not pass this legislation, we will look back on this time in this parliament and we will find that it was one of the dirtiest, nastiest pieces of work ever done in this country.

I am very proud of these bills and I am very proud of the work done by the Treasurer, by the member for Higgins and by all the people involved in this. My city welcomes foreign investment. My city welcomes the future, and we should all be getting on with it.

Mr HAYES (Fowler—Chief Opposition Whip) (12:18): The member for Herbert is right: we are very much living in a globalised world. As a consequence of that, part of the challenge is how we structure foreign investment in this country to the point that it does not jeopardise our sovereignty or the deployment of internal wealth to the detriment of Australian citizens. For some time now, I think governments of both political persuasions have been tempted to work towards ensuring that there is opportunity for foreign investment in this country. The
influx of capital is something that goes very much to increasing the supply of jobs and is a catalyst for construction and most other services that we come to rely upon.

In this highly globalised world we need to seize the opportunity of foreign investment but also safeguard our national interest when it comes to the increased trade and investment across international borders. It is important that we strike a balance—and get it right—between welcoming foreign investment and ensuring that we are not compromising our national interest. Reducing red tape and ensuring greater certainty for investors are aspects of that equation, and we certainly see those covered in the bills before us today.

The three bills before the House, the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015, make changes to Australia’s foreign investment framework and update and modernise the system to cater for increased levels of foreign investment in Australia. The Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 makes necessary amendments to the Foreign Acquisitions and Takeovers Act to modernise the rules and to strengthen the enforcement capabilities in our foreign investment system. The Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 introduces fees on foreign investment applications to ensure that Australian taxpayers are not footing the bill when it comes to the processing and administrative side of foreign investment applications.

The Register of Foreign Ownership of Agriculture Land Bill 2015—and I note that the minister is at the table—establishes the register of foreign investment ownership for agricultural lands to be operated by the ATO, so that we have greater transparency regarding the level of foreign ownership of agricultural lands in this country. That is certainly not something that is being demanded by people I represent but, when I read the papers, I see that there is a broad range of people who believe it is absolutely essential that we have at least a registry of foreign ownership of agricultural lands to ensure and preserve the sovereignty of agricultural land ownership in this country.

As I stated earlier, one of the main aims of this package of bills is to strengthen Australia’s foreign investment framework. One of the methods by which that will be achieved will be through the introduction of fees on various foreign investment applications. These fees will ensure that the Australian taxpayer will no longer be footing the bill for the cost of processing, the cost of administration and, indeed the cost of enforcement of matters associated with foreign investment. Some of these fees include $5,000 for purchasing an established residential agricultural dwelling worth $1 million or less. Higher fees will apply for purchases of more expensive properties, commercial real estate and business applications.

These new fees on foreign investment applications will go very much towards lending greater resources to Treasury and, in particular, to the Australian Taxation Office to improve the service delivery for investors. It is estimated there will be in the vicinity of $735 million of increased revenue over the forward estimates and that will be hypothecated in respect to the Australian tax office for the specific purpose of administration, process and enforcement.

It is also important that this is not just seen as a raising of critical revenue but it is actually seen as the money that will in fact be hypothecated towards administration and enforcement of the new rules applying to foreign investors. Therefore, those activities will no longer be considered a tax burden against Australian taxpayers. Nevertheless, we do have to be careful
not to see this as changing the foreign investment system in this country. It is certainly not the panacea, in my opinion, for reducing house prices or increasing housing affordability in various parts of Australia. The peak housing bodies, including the Property Council of Australia, have seriously questioned the effect these new fees could have on housing affordability. They have even suggested the prospect of having a negative impact on the supply and therefore on housing affordability generally, leading to increased housing prices.

There is much good that will come from foreign investment, as I said at the outset, particularly in areas of real estate and as it applies then to construction, increasing the supply of new dwellings—housing, home units et cetera. I understand that governments, federal as well as state, are under pressure and have been for some time in respect to the sustainability of property prices in Sydney and Melbourne. But there are certainly serious questions as to whether scaring off foreign investors would make it easier for a first-home buyer to purchase in the market in Sydney. My view is that this is not going to have an impact on that.

If you think about the recent tabloid coverage of the forced sale of the Point Piper mansion which was purchased by foreign investor, I do not think that is going to have any impact on people in my electorate when they are lining up to buy their first property. I do not think that is going to have an impact on the average home buyer in Sydney or Melbourne.

The bills before us also introduce charges to deal with noncompliance in foreign investment, introducing civil penalties and additional and more stricter criminal penalties to ensure that foreign investors and their intermediaries do not profit inappropriately from breaking our laws. Currently the maximum penalty that can be applied under the act is a fine of $90,000 or a two-year imprisonment or, in some cases, both. But the criminal penalties will be increased to $135,000 for an individual, supplemented by civil pecuniary penalties for less serious breaches of the real estate law.

Since these charges are relatively new, it is only right that we are allowing foreign investors the ability to self-report noncompliance. In those instances, they will face significantly reduced penalties and that process is quarantined for a limited period of time. The new compliance penalties will match the damage that the noncompliance poses to Australia. Clearly the penalties will be in line with the severity of the offence but they will ensure that those who commit and break the rules certainly do not profit from their activities. The charges also affect third parties that are often involved in foreign investment including real estate agents, conveyancers and migration agents. The third parties will now be subject to civil and criminal penalties in cases where they knowingly assist a breach of the rule which allows profits to be improperly made as a consequence of their action.

It is important that the ATO plays a more effective role through the new investment and compliance powers. It is an important aspect of this suite of bills in strengthening our foreign investment system. The ATO has the capacity to cover more than six million transactions each year through a sophisticated data-matching program. The additional revenue gained through these new fees proposed in the bill will help the ATO improve compliance and enforcement of the foreign acquisition rules themselves.

The act enables officers from the ATO to exercise broad-ranging investigative powers in addition to the Treasurer being able to require a person to give information and to produce documents on request in respect of those investigations. Transferring to the Australian
Taxation Office responsibility for regulating foreign investment in residential real estate will enable stronger enforcement and better compliance with the rules.

One of the more contentious aspects of the bills before us is in the area of increased scrutiny and transparency for foreign investment in agriculture. The government propose a lowering of the screening threshold for foreign purchases of agricultural land from $252 million to $15 million. Clearly, they are less worried about the acquisitions taking place now in agricultural land than what was previously reflected in various well-reported articles in broadsheets, particularly last year.

Lowering the screening thresholds for investment in Australia's infrastructure, in particular the proposal to apply different thresholds for investment from different countries of origin, is of concern. We are concerned that the government is saying some countries are more entitled to invest in Australia than others. In this country, we should be moving to proper rules and enforcement regimes to encourage investment in this country as a whole.

This is additional red tape that may negatively impact on our relationship with our trading partners. Before coming to office, the government promised to reduce red tape. As a matter of fact, they have a bill before the parliament at the moment purporting to do just that. If they want to be honest about it, this suite of legislation actually imposes additional regulation, which is fine. But for some other areas of foreign investment, it will probably impose greater regulation than is necessary, particularly where we are going to have disproportionate rules applying to various countries in terms of their entitlement to invest in Australia.

As a whole, these reforms are supported by the opposition. We do so on the basis that it is streamlining compliance and enforcement regimes. It will be more understandable for foreign investors moving to invest in this country, and we are removing the burden from taxpayers in terms of financing the administration, compliance and costs associated with foreign investment.

On this side of politics, we understand and support foreign investment. We know that it is the catalyst to help this country grow, and the changes that will take effect as a result of this legislation will assist to attract a greater degree of foreign investment under a more sustainable international framework, and certainly a more understandable framework at that.

Mr PITT (Hinkler) (12:33): I rise to speak on the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015. This is a very important bill for people in regional Australia. These reforms will ensure Australia's foreign investment framework is modern, simple and effective. It will add integrity to the system so that everyone plays by the rules. It will also grant new compliance powers to the Australian Taxation Office and the Foreign Investment Review Board. I note that in a press conference just some hours ago, the Australian Taxation Office stated very, very firmly that they will be targeting the third-party facilitators that are being used to break Australian laws, and they will do that through the new penalty systems introduced as part of these bills.

There are new penalties for a foreign person who makes an acquisition without approval. There is an increased criminal penalty for an individual, a natural person, of 750 penalty units, which is equivalent to $135,000 or three years in prison. For a company, it will be 3,750 penalty units, which is equivalent to $675,000. The civil penalty for individuals is 250 penalty units or $45,000; for a company, 1,250 penalty units and $225,000. A foreign person who
fails to comply with the condition of approval will get the same penalty levels as the previous one. It is important to note that without strong penalties and a strong enforcement framework this legislation will not work.

Foreign ownership, not foreign investment, is an issue of great importance to the people of my electorate, but not only for the people of Hinkler. I have travelled across our great nation, particularly throughout Queensland, whether it be the people in Flynn or the people in Capricornia, whether they are in Betoota or Birdsville, this is an issue of concern to them. It is something which has been of concern for a very long period of time. In fact, for the Nationals this has been an issue for many years, as I am sure the Minister for Agriculture, who is at the desk this morning, would agree with me. We have been fighting for this for a long time.

Clearly, now that it is affecting the people of Toorak and the good people of Sydney Harbour, it has certainly created a lot more interest. So I thought I would take the time to see how far back in time this has been an issue for. I was fortunate enough this morning to sit through a presentation from the National Archives. I was not aware how important a role they play, so imagine my surprise when I searched Hansard and found this issue went all the way back to the constitutional debate of 1901. I identified one speech in particular, by Senator Guthrie of the Nationalist Party on 13 June 1923 in the address-in-reply to the Governor-General's speech. For those people who might be listening to this broadcast, the Nationalist Party is not the National Party. The Nationalist Party went on to become the United Australia Party, the precursor and the basis for the modern-day Liberal Party—as I am sure you are aware, Acting Deputy Speaker Goodenough, as a man who knows his history.

Even in June of 1923, there was discussion about the amount of suitable land that was available and its ownership by Australians or otherwise. Also in the same speech, if I could have some indulgence, was talk of a north-south railway. Well, that is something we will deliver. The Deputy Prime Minister has announced those things just this week—the additional money to ensure that we can put the link through, to finalise the great inland railway for the delivery of cargo. And I am sure the Minister for Agriculture will be interested in this: they spoke about water. One of the precursors of the great Liberal Party spoke about the need for water from the Great Artesian Basin and its protection, and the need to open up the rich and fertile lands of the Murrumbidgee, the Murray and Darling—things that are just as important now as they were almost a hundred years ago.

This bill is about getting the balance right. We need to ensure we get the balance right between foreign investment and foreign ownership. In my view, our fears of the unknown are always worse than the reality. Foreign investment in Australian real estate, according to the FIRB report of 2013-14, was just under $40 billion for commercial real estate and around $34 billion for residential real estate, totalling $74½ billion for the year. So acquisitions are not that unusual and under this legislation they will continue, but we have ensured that there is a framework to get the balance right.

I will speak briefly about some of the acquisitions that have occurred in my electorate's recent history. These acquisitions were of great concern at the time, but many of these companies have gone on to become great local citizens, great corporate citizens of my electorate. That includes Bundaberg Sugar. Bundaberg Sugar is one of the largest landholders in the country, one of the largest agricultural landowners in this country. They provide employment, sugar milling services and railways. They grow all sorts of agricultural products
and they have been around for over 125 years. But even they have a history of acquisitions and takeover—from their takeover by a company called Tate & Lyle through to their current ownership by Societe Financiere des Sucre—but they have stayed in business, employing local people, providing local jobs and ensuring the local economy continues to grow.

I will declare that I was an employee of Bundaberg Sugar for many years. In fact I went through an acquisition in the north—an organisation called South Johnstone Mill, a private grower owned cooperative. I really felt for the people of South Johnstone. It was a terrible process for them. But South Johnstone went on to be acquired by Bundaberg Sugar and has since been acquired by Maryborough Sugar—so this is not something which is unusual. This is something which continues to go on, but it is of great concern to the community.

Taxation and financial regulation can be a minefield. It is a complicated beast. It can sometimes be difficult to navigate and understand. I will give a really simple example of how we are protecting the nation. Previously foreign purchases of agricultural land were only subject to the national interest test and close scrutiny if they were worth more than $252 million. On 1 March this year, we reduced that screening threshold to $15 million. That means that any agricultural land purchases worth more than $15 million are now subject to close scrutiny. I know that this will create some difficulties for companies like Bundaberg Sugar, especially since the $15 million is a cumulative amount. They clearly have assets above that, so the test will be triggered when they purchase additional land in the local area.

Foreign investors will be required to register information about their existing holdings and subsequent acquisitions of agricultural land. Up until now only the state of Queensland has held such a register. This government is getting on with practical measures not only to assuage people’s fears but to ensure we have the detailed information that is required to make assessments.

This suite of bills does more than just protect agricultural land; it also relates to company holdings of residential and commercial real estate. From 1 December this year there will be stricter civil and criminal penalties that ensure foreign investors do not benefit from breaking the rules. The Treasurer today announced that there are 500 Foreign Investment Review Board investigations underway into $1 billion worth of illegal real estate holdings by foreign nationals. That is an enormous number of investigations. It is a significant achievement in such a short period of time and I congratulate the FIRB. They are getting on with this and ensuring that the new framework will be enforced.

Fees on foreign investment applications will give Treasury and the ATO additional resources and ensure that Australian taxpayers are no longer funding the administration of the system. These fees are expected to raise $735 million in revenue over the forward estimates. Effective from 1 December 2015, these fees include $10,000 for vacant commercial land, $25,000 for commercial real estate, $10,000 for new business proposals and internal reorganisations, $25,000 for business acquisitions where the value of the investment is less than $1 billion, and $100,000 for business acquisitions where the value of the investment is greater than $1 billion. For a $1 billion investment I do not believe $100,000 is unreasonable. If you were to look at the process Adani have gone through over the last five years, you would see that they have invested millions and millions of dollars in a mine which is not yet approved—a mine which would have created thousands of jobs, not only in Central Queensland but across the entire east coast.
As I have said, this is a matter of significant concern in the community. Whether I am at a market or a business drop-in, whether it is through emails, letters or phone calls, this is something that has constantly been raised with me over the two years I have been here. People are concerned about foreign ownership. This legislation strikes a balance—and it is this government that has taken action. We will get the balance right. We will continue to do what is right by the Australian people and I commend the bills to the House.

Dr CHALMERS (Rankin) (12:42): As other speakers have mentioned, the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, along with its associated bills, introduces fees payable for foreign investment applications, lowers the screening thresholds for certain investments in Australian agriculture, introduces civil and criminal penalties for breaches of the foreign investment framework, and transfers to the Australian Taxation Office the responsibility for administering certain aspects of the foreign investment regime. Labor will be supporting these bills through the House today, but we do have some significant reservations about aspects of the package. We plan to await the Senate report on the bill before we determine our final position on those aspects.

Foreign investment would not have a bigger supporter in this chamber than me. I am a huge supporter of foreign investment because it is a vehicle through which we create jobs and growth in our community. I have always been a huge supporter of foreign investment, subject always of course to appropriate safeguards and screening to ensure it is in the national interest. But as a principle I think foreign investment is crucial for a country like ours. My side of the parliament has always understood that foreign investment plays an important part in driving economic growth. It is a simple fact that Australia's pool of domestic savings is not deep enough or substantial enough to drive the kind of investment we need to ensure a vibrant, job-creating economy.

We do not have, in Australia, sufficient capital to maintain the sort of employment opportunities and living standards that Australians have a right to expect and that Australians deserve. Labor knows that we will not improve living standards for working people in this country by pulling down the shutters on the world. On the Labor side we have a really strong track record of encouraging trade and investment. Prime Ministers Hawke, Keating, Rudd and Gillard and trade ministers like John Dawkins, Peter Cook, Simon Crean and my own predecessor, Craig Emerson, have all played important roles in dismantling protectionist barriers.

Between 2008 and 2013, the years of the last Labor government, there was an investment boom in Australia. Foreign direct investment was up 40 per cent over that period. In a former role that I had in this place, I was very proud to be involved in the maintenance and improvement of the foreign investment framework in this country and particularly proud to see that boom in foreign investment go up 40 per cent over the life of the Rudd and Gillard governments. It helped boost supply in Australia. It was certainly a factor in our continued growth while the rest of the world went backwards and shed tens of millions of jobs during the great recession.

Now, as domestic demand in Australia slows, foreign direct investment in Australia will continue to play that crucial role in encouraging growth. In one sector, for example—one that the minister at the table would be aware of—the National Farmers' Federation has estimated that for Australian agriculture to reach the capacity needed to meet rising international
demand it will require investment of between $1.2 trillion and $1.5 trillion over the next 35 years. We need to meet this demand by encouraging foreign investment in an open and transparent manner while making sure that big investments are in our national interest. Labor will support today—and will always support—policy that encourages growth of foreign investment in Australia while ensuring that safeguards remain in place to ensure that that investment is in the national interest as well.

This legislation, in summary, is a bit of a mixed bag. We have concerns about the bills before the House. There are some measures, of course, which will legitimately strengthen our foreign investment safeguards, but I think it is also true that there is the risk that some other aspects of these bills will throw up unwanted barriers to attracting foreign investment into our country. For example, we will be supporting the introduction of a register of foreign ownership of agricultural land because we believe that foreign investment works best when it is open and when it is transparent. But we have real concerns about the changes to the foreign investment screening thresholds for agricultural land, which we believe have the potential to discriminate against investors based only on their nationality. To prove that point, consider that we will have a bewildering situation where the threshold for investment review in agricultural land will be set at $15 million for investors from China, Korea and Japan, while at exactly the same time it is $50 million for investors from Singapore and Thailand and it is over $1 billion dollars if you are from New Zealand, Chile or the United States. This means the screening threshold for Chile is around 73 times higher than the screening threshold for Japan.

On top of all of that, from December this year we will see the FIRB screening threshold for agribusiness investment capped at $55 million. This was an issue that was raised with the trade minister in this place earlier this week. There was a total inability to explain why we would want this dog's breakfast of different levels of screening thresholds depending on the nationality of the investor. The government has yet to provide any economic or foreign policy rationale for this complicated system of investment screening thresholds for different countries and different types of businesses. What is worse, these new barriers to investment would apply even where existing investors seek to make improvements to their property. They are not just a potential deterrent to new investors but also a disincentive for people who are already investing who want to improve their operations.

It should come as no surprise that this rushed mismatch of red tape and barriers to trade have been criticised by a variety of Australian industry associations including the Business Council of Australia, the National Farmers’ Federation, the Australian Food and Grocery Council, the Queensland Farmers Federation in my home state and the Chamber of Commerce and Industry of Western Australian. But what could be worse is the potential reaction of foreign investors who will be met with this chaotic framework of red tape and fees which will make Australia a less attractive destination for investment.

There is cause for concern in this bill. As I have said, our final position will be made after all the evidence has been considered by the Senate committee—that is only reasonable. We have got a Senate process that will get under way, and it is our prerogative to weigh up all the evidence before that committee before we land on a final destination. In the meantime, we call on the Minister for Trade and Investment to explain to the parliament and to the Australian
people how these retrograde changes to our FIRB screening thresholds will do anything other than deter future foreign investment in Australia?

The other main set of measures in this package of bills relates to foreign direct investment in real estate. Labor will be supporting the government’s proposal that foreign investors cover the cost, the impost, of having their application for investment reviewed by FIRB rather than burdening the taxpayers with this cost. We believe that the fee will be very modest, compared to the investments being considered, and we do not think that it will act as a real disincentive for investment in Australia. But we say very clearly today that the revenue raised from this measure should be directed back into improving oversight mechanisms and service delivery for investors, not used just as a cash cow to sure up the government’s budget mess where we have seen the budget deficit double from one budget to the next.

I was pleased to be on the House Economics Committee’s inquiry which recommended the fees on foreign real estate investment contained in the legislation today. As I said throughout the proceedings of that committee—as I say now in the chamber—there were perceptions in the community about foreign investment in real estate which in many instances dwarf the reality of the incidence of foreign investment in real estate. We need to be really careful when we are discussing this area not to get carried away with tabloid overreaction to some of these issues. We need to approach it in a sober and clear-headed way to make sure that any measures we are taking in this place are consistent with the reality of what is happening on the ground and not just the hearsay and the anecdotal claims made by some from time to time. I think the committee, with members from both sides of the House, did a good job in getting to the bottom of a lot of the facts of these issues rather than the hysteria.

This government spends a lot of time talking about foreign direct investment in real estate. It makes it out to be the sole enemy of housing affordability in Australia. We got a bit of that, again, this morning from the Treasurer. Too often forgotten in this conversation are the benefits of foreign investment in Australia when it comes to the housing market. There was clear evidence through the economics committee process, that I described earlier, that foreign investment has the capacity to boost housing stock not just for foreigners but for the broader Australian community. Where that happens we should celebrate it. It is also clear that foreign buyers are, generally, not competing in the same markets as most first home buyers throughout Middle Australia.

The member for North Sydney has made a big deal, including again this morning, of forcing the sale of a handful of homes, including a Point Piper mansion, as this big solution to the housing affordability crisis in this country—‘Let’s concentrate it in Sydney and Melbourne’—but that is an indication of how out of touch the government is when it comes to housing. People in my community and across the country do not necessarily want to buy or have the means to buy some Point Piper multimillion-dollar mansion. They just want family homes to be affordable for everyday Australians.

The government did promise to address housing affordability before the election. They do not have a real plan. This is just something to say so they look like they are acting on housing affordability. In reality, they are not. In fact, they have taken backward steps, as the economics committee is now dealing with issues around housing affordability. We have heard witness after witness talk about backward steps from the government, which include abolishing the National Housing Supply Council and the National Rental Affordability
Scheme and the changes it has made there. These policies were making a real difference to the affordability of housing for a large number of Australians from all parts of the community.

While we will be supporting in the House, today, the measures in the legislation around foreign direct investment in real estate we do not believe that is a sufficient total response to the housing-affordability crisis. The new Prime Minister and new cabinet, when it is announced, need to put some thinking into housing affordability and have a policy and a plan—not just some piecemeal approach for one or two mansions in Point Piper and forced divestments.

We have some reservations and will come to a final decision after the Senate committee reports. Our guiding motivation is to have a foreign-investment framework that encourages the much-needed investment in our country while ensuring that there are safeguards to ensure all foreign investment is in this country's best interest. We are not sure that the government's proposed discriminatory-screening thresholds and new red-tape barriers will support that objective. We also do not believe the government's proposed fees for FDI in real estate will solve the housing-affordability crisis.

Being open to business is about more than repeating that phrase endlessly at a press conference. I sincerely hope that the government—with a new Prime Minister and a new cabinet—will share Labor's enthusiasm for getting Australia's foreign-investment framework right and will not implement the measures in these bills that have the potential to deter foreign investment.

Dr GILLESPIE (Lyne) (12:56): I rise to speak about this cluster of bills, the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015. These bills are putting into effect policies that the Nationals took to the country at the last election, and I am very pleased to see that we are delivering on our promises. They strengthen the integrity and management of foreign investment in agricultural land and agribusiness but have just as much relevance to the residential real estate market, and I will make some comments about that later.

Ever since Australia started off as an outpost of the British foreign office and was a dumping ground for the poor, the unwanted and lots of convicts, commerce has developed on the back of foreign capital. We do not have 1,000 years of wealth stored in the nation like European nations do that have huge stores of investor capital. We are not America with huge reserves of accumulated wealth from another couple of hundred years economic activity and 350 million people. In essence, we need capital invested in this country and Australia cannot provide it all. I would like to see Australian superannuation funds a bit more active in this agricultural land and agribusiness space, but that is another matter and I am digressing.

Essentially, we welcome foreign investment. But any nation that does not control, supervise and regulate—any system, whether it is foreign investment in residential real estate, agricultural land or agribusiness—is derelict in its duty. People want us to supervise these marketplaces because there are phenomena around the world that are having unintended consequences.

The register of all foreign land acquisitions that have an accumulative value over $15 million is a significant manoeuvre but is quite mild when you put it into the context of other
countries. Just over the ditch, our cousins in New Zealand have very strict rules about foreign purchases of agricultural land. In fact, it is almost impossible. In many states of the United States it is not possible at all. Similarly, Japan, Korea and China—one of our biggest trading partners—have much stricter rules, in this regard, than we do. So we are being very generous and very business minded and employment minded and jobs minded by encouraging foreign capital into this country. That is what happens when you get investment in a country. You get business growth, you get employment growth and you get jobs out of employment. For those in this chamber who are obsessed with magic pudding economics, we cannot rely on grants from government to create jobs. We need businesses to create jobs. Businesses have to be capitalised. That is why I say at the outset that foreign capital is so important for this country.

This legislation will also require review by the Foreign Investment Review Board of foreign purchases of agribusinesses that reach the threshold of $55 million. That is also a very prudent manoeuvre because these purchases should go ahead if they are in the national interest. But, as you can appreciate, many of the agribusinesses have grown out of cooperatives or processing plants in geographically dispersed areas which control the market for whatever is being processed. Originally they were set up as cooperatives and they have been either commercialised or sold off. When someone purchases that processing plant, they are able to have the market by the short and curlies. It is a no-brainer. We have to make sure this is to the benefit of the people who are providing the raw product to that plant and that they are not going to be done over with a ‘take it or leave it’ price control mechanism because the value of the commodity depends on the price that one purchaser offers. If you have got dry goods or things that can be stored, transported around the country and sold at various times, it will be happy days—you can cherry pick the market at the best price. But if you have got a primary product that has to be sold because it is going to start rotting and there is only one processing plant in your area your market is one—whether it is milk or cane. Things like that are really important. When the Foreign Investment Review Board looks at these potential purchases they have to realise that. Sometimes I think people do not really appreciate what the market is. I am really pleased that this review process is underway. It is not stopping foreign investment but we have to analyse its pros and cons of the Australian community.

The bill that is being amended here was set up in 1975. It is timely that we do have stronger regulations. There will be civil penalties if the regulations are broken. Some of the measures brought in in 1975 are in effect sound principles but they have not been applied, or they have not been regulated, and they have been discreetly avoided by some of the purchasers. Penalty fees of $90,000 or $135,000 or divestment orders will really change behaviour in the market—whether it is residential land, agribusiness purchases or whatever.

In a lot of these purchases, particularly in residential real estate, third parties are allowing people other than themselves to skirt the regulations. In this legislation there will be fines and penalties for third parties who are breaching the regulations. There will be increased application fees for all these purchases. At the moment, the FIRB has a minimal budget. We do not want the cost of regulating all these foreign purchases to come out of general revenue that is meant to fund hospitals or roads. These fees that are being charged will give quite a significant income to the government to run this process—a net positive to the government of about $620 million—so it is not going to cause any disruption to the general revenue. The definition of ‘substantial interest threshold’ is also addressed in this legislation. It brings it into
line with other existing commercial related legislation. That threshold is being raised from 15 per cent to 20 per cent. If you control more than 15 per cent of the body that is purchasing the land or the agribusiness, it triggers the review in the regulations.

I would like to digress and talk a bit about what is happening in the residential real estate market. As you can appreciate, China has huge amounts of capital and wealth that has been created as the Chinese Republic has paradoxically adopted the practice of state controlled capitalism. There is a huge flight of capital out of China to many cities around the globe. That has been to gateway cities such as San Francisco, Vancouver, Auckland, Melbourne, Sydney and even Perth. There has been a lot of talk in the financial and real estate press about whether there has been a bubble happening in Australia. The reason for saying there was not a bubble is that they have looked at the borrowings, at what the banks are giving out in loans.

When those comments were made about 12 months ago, there were not any figures on the borrowings funding real estate that would trigger that comment. But what lies behind those figures, manifesting itself through the supply and demand principles of everything economic, is that there is a lot of non-borrowed capital going into the residential real estate market. And it is not just super funds investing in commercial or residential real estate; there is a lot of foreign capital being invested in it. The Chinese property bubble is suddenly being deflated and there is all this capital going around the world. It is being put into the big cities of the world—London, San Francisco and New York. Some of that capital is coming here. So we have a lot of pent-up demand.

That is why these regulations are so important—because, if people are skirting the regulations and using third parties to park their capital here and we do not know about it, we should know about it and analyse it. If residents of Australia who are foreigners are purchasing property but then renting it out, that is breaking the regulations. The intent of the system is that they have a home while they live here for four or five years. If they leave the country but then do not sell the property, they will be breaking the regulations and these penalties will kick in. When you have $6 billion of non-borrowed money landing in Sydney, Melbourne and the other capital cities' residential markets from this flight of capital out of China—and other places, too—it inevitably puts a huge pent-up demand into the system. Unless we have an adequate supply of residential real estate, prices go up.

The other thing I should say is that, if some of that $6 billion can come here and build lots of houses and apartments so that we have a greater supply, it will make housing more affordable, particularly for first entrants into the market. How this capital is used is what is important. We do not want to have a bubble happening in our cities and then have everyone end up in tears a couple of years down the track, when the bubble bursts. We want sensible economic principles to apply. We love foreign capital to be invested to build new factories and homes, develop underdeveloped farms and increase production. That is great, but, if people are just using this as a piggy bank to park their money till they move it somewhere else, and our whole property market goes kaput later on, that will not be helping anyone, particularly if a lot of Australians borrow heavily on the values that residential real estate has now and then the market collapses. In Hong Kong years ago, there were plenty of people who did just that. Their property markets collapsed and their borrowings were greater than the value of the property. That is not a happy situation for anyone.
There is lots of good stuff in this legislation. As I said, it responds to the needs and demands of Australians, who want to know who owns our agricultural land. We want agribusiness thriving in this country. We want it well capitalised, but we do not want purchases that will be to the detriment of Australians. So I think that reviewing the process before it goes ahead is only sensible. I commend this bill to the House.

Mr Watts (Gellibrand) (13:10): Foreign investment is crucial for Australia's prosperity. That is as true today as it has been at every point in our history. Most of our roads, rail, ports, telecommunications and water infrastructure has been built with foreign capital. The same can be said for much of our public, private and commercial property stock. While Australia is only two per cent of the world economy, it accounts for five per cent of global property investment activity. Foreign direct investment has been particularly crucial to sustaining the 23 years of uninterrupted economic growth in Australia that we have enjoyed in recent times. The United States and United Kingdom remain the largest sources of direct foreign investment in Australia by far, totalling almost 50 per cent of all foreign investment in our nation. Despite the importance of foreign investment to Australia's economic future, and despite the 'open for business' rhetoric of the previous Abbott government, foreign investment, or at least some sources of foreign investment, is routinely demonised by those opposite for political ends.

The bills before the House contain three related pieces of legislation relating to foreign investment in Australia: the Foreign Acquisitions and Takeovers Legislation Amendment Bill, the Foreign Acquisitions and Takeovers Fees Imposition Bill and the Register of Foreign Ownership of Agricultural Land Bill. These bills outline a series of new arrangements governing foreign investments in real estate property, farmland and business. They seek to strengthen the enforcement of foreign ownership laws, introduce an effective user-pays system for foreign investment and drastically reduce the threshold for assessment of acquisitions by the Foreign Investment Review Board.

When Joe Hockey, the member for North Sydney, was still the Treasurer and not the seat warmer for the current Minister for Social Services, he used to talk up this bill as though it were some kind of silver bullet for Australia's housing affordability crisis. In fact, this bill represents the sum total of the government's housing affordability policy—from their perspective, it has to be the silver bullet because it is the only bullet in the chamber. True, the Treasurer had promised to release a housing affordability policy in the lead-up to the last election, but, like many other promises made by the former Abbott government, it has not been forthcoming. In fact, the government has done its best to grind real political change on this issue to a halt.

Just two months after coming to government, the government abolished a range of non-statutory bodies, including the National Housing Supply Council. The council's role was to provide projections and policy advice in relation to housing supply and demand. The council's terms of reference included: to strengthen the evidence base for decision making by advising the minister for housing on the state of the housing market, including land supply and construction; to examine the implications of city planning and infrastructure projects on housing availability; and to provide advice to the minister for housing to improve housing supply and affordability, particularly for low-income households. However, just as the minister for housing was abolished under the former Abbott government, so too has the
council. Abolishing non-statutory bodies like the National Housing Supply Council leaves the government without important analytic tools and institutional support and exacerbates the problems they were introduced to address.

If we are going to make progress in tackling the affordability problem in the residential property market in Australia, we must focus on increasing housing supply through the construction of new dwellings—a goal that will unavoidably rely heavily on foreign capital. Yet the Property Council of Australia's submission to the Senate Economics Legislation Committee argues that the changes in this bill could exacerbate this problem and contribute to an increased rise in the cost of housing. The Property Council's submission stated:

The cost of these [new] fees will not only impact the feasibility of a particular project, but will in all likelihood be passed on to the end purchaser. This is particularly important for residential developments, where the costs will be directly added to the end price of a house, serving only to increase the cost of housing in Australia.

We will see whether this transpires. What is clear, however, is that foreign investment should be a part of the solution to the housing affordability crisis in Australia by funding an increased supply of housing stock and should not be treated as some kind of bogeyman that is single-handedly responsible for putting the Australian dream out of reach of Australian families.

Yet the former Treasurer has treated foreign investors in residential property in Australia as being akin to some kind of cartoon criminal mastermind—indeed, caricaturing Commissioner Gordon from the Batman series. The Treasurer even convened a press conference in Sydney to announce the divestment of seven residential properties illegally acquired by these super villains. It might have been amusing if it had been a puffed up suburban real estate agent. But, for the Treasurer of Australia, it was just sad.

In the open, diverse, multicultural and modern Australia that we all live in, there is a high cost to the symphony of dog whistling that we have heard on this issue. Some of the media coverage that has been invited by the government's rhetoric on this issue has been appalling. An article in The Australian last year quoted unsubstantiated claims that foreign buyers of Australian property added 10 per cent to the price of Australian homes. This article quoted a real estate agent as saying:

… easy to tell when buyers were unlawful foreign investors purchasing in their sons' and daughters' names because you could see them talking to their parents on the phone throughout the auction.

As a member of an electorate with a large Asian-Australian population, I can say that it takes more than a phone call to mum and dad and a few foreign words to determine someone's citizenship. Around 15 per cent of Australians describe themselves as being of Asian heritage. And guess what? Like other Australians, they need a place to live. And they often participate in housing auctions to buy properties. Many of them will call mum and dad for advice when buying a home, like most Australians do—and like my family did. The description in this article could have easily been made about Asian-Australian members of my family, like my wife—Australian citizens, all.

Another article in the Herald Sun this year, entitled 'It is not racist to point out these home truths', claimed that Asian buyers were making property unaffordable in Australia. The article even made the extraordinary claim that in some Australian schools:

… Australian-born children are outnumbered 10 to one by newly arrived Chinese students.
This is, frankly, a nonsensical statement. I challenge the author of this article to name one school in Australia that would meet that definition. I represent an electorate where over 60 per cent of the population were either born overseas or their parents were born overseas. I can tell you that not one of the 50 schools in my electorate come close to matching that definition. Most disturbingly, this article frequently conflated foreign nationals with Asian-Australian citizens, drawing a distinction between 'Australian-born children', 'new residents' and the 'newly arrived'.

According to the Reserve Bank, the majority of the Asian faces at auctions in Australia are Australian citizens. Based on Foreign Investment Review Board approval figures and data from the Australian Bureau of Statistics, it is estimated that Chinese residential real estate investment totals round two per cent of all residential real estate transactions in Australia. In a 2014 report on the Australian residential property market, the RBA noted that 'foreign residential purchasers do not appear to have a major presence' in the Australian property market and that:

… the degree of competition with foreign buyers is still likely to be fairly small.

We do our Asian-Australian communities a great disservice when we allow ourselves to buy into this kind of scaremongering. Yet the symphony of dog whistling that has been kicked off by the government's rhetoric on this issue has not been restrained. It should be below the government to use the politics of xenophobia to divide Australian society for political purposes, and I call on the new Prime Minister to put an end to it.

We should investigate allegations of breaches of foreign investment laws but we should not pretend that this alone will fix the broader problem of a lack of supply in the Australian housing market. That is the core of the housing affordability issue in Australia.

We see a similar story in the agriculture sector. Foreign investment is a key driver of our agricultural sector. For years, Australia has been positioning itself to be the food bowl of Asia, preparing to supply the increases in demand for more high-value food for our region in the coming decades. In a few short decades, the Philippines, Indonesia, Thailand, Vietnam and Malaysia will join India and China as some of the biggest economies in the world. By 2050, our region will be home to 10 of the world's 25 largest economies. The Asian century will make our region more populous and more prosperous. Australian agricultural exports should be one of the big winners from this process.

To take full advantage of the increase in demand from the soon to be 'dining boom', we need to increase the productivity of our agricultural sector. We need to increase the output of our agricultural sector. We need to increase the efficiency of our agricultural sector. To fully capitalise on this opportunity, the sector will need huge amounts of capital investment, mainly sourced from foreign investment.

Mr Chester: But not China!

Mr WATTS: 'But not China!' And it belled the cat! This is what this debate is about.

Mr Chester interjecting—

Mr WATTS: I will come to Barnaby. I will come to the rhetoric about 'not China'. We will talk about Cubbie Station. We need investments in our hard infrastructure like our roads, ports, rail and water infrastructure. Yet the rhetoric and political posturing of this government is unrelentingly hostile to foreign investment. As I said before, there has been a symphony of
dog whistles: some forms of foreign investments are welcome, but not Chinese foreign investment.

The Minister for Agriculture defended the former Prime Minister's emphasis on cutting the screening threshold for foreign investment in agriculture, saying, 'If foreign investment wasn't such a big issue, he wouldn't be putting his endeavours towards it.' This is a bit of a non-sequitur, but I can tell the Minister for Agriculture that the reason it is a big issue is not because foreign investment is hurting Australia; quite the contrary. It is because of the political game playing of those opposite—game playing like that of the agriculture minister, Barnaby Joyce, on issues like the sale of Cubbie Station, and the nonsensical rhetoric that implies that the Chinese government will somehow airlift Australian agricultural land back to China or build a pipeline from Dirranbandi to Dalian to somehow steal our water.

It is telling that the opponents of foreign investment in this place cannot actually articulate the harms being caused to Australia by foreign investment in this country. They cannot articulate them because they do not exist. Australia's history has been one of benefiting from foreign investment, and it is something we should all welcome in this place.

The burden of all this political pointscoring will again fall on the Foreign Investment Review Board, which is significantly underfunded and will be asked to do significantly more in future—an extra burden that will hinder the board from performing its key function effectively and efficiently. It is important to appreciate that the board does not have the power to block proposals by foreign investors itself but only makes recommendations to the Treasurer, who makes the final decision if there is reason to believe that a foreign investment proposal is not in Australia's national interest. Ironically enough, the Treasurer is not even required to take into consideration these screening thresholds; he or she can review and block any proposal, regardless of the value. The same applies to the National Security Committee of the cabinet. No controversial investment proposal escapes the interest of the government, regardless of the value, and I would challenge the government to highlight an instance when a screening threshold has allowed a controversial proposal to go through.

The bill also highlights the double standards the government displays when it comes to regulatory burdens. As the shadow minister for agriculture, the member for Hunter, has said, the thresholds for agricultural land included in this bill would be 'a red-tape nightmare' and risk driving investors away when the sector was hungry for capital. The soon-to-be-former Treasurer did not call it red tape, though. In an Orwellian twist of language, he called it 'providing greater certainty for investors'. This gives lie to the rhetoric in this chamber that was often heard from those opposite in the debate about the omnibus repeal bill, sometimes better known as the red tape repeal day bill. Those opposite are perfectly happy with regulatory red tape when it serves their political rhetoric. I am concerned about the message that some of the rhetoric of those opposite regarding this bill sends to overseas investors. I am also concerned about the message it sends to Asian-Australians living in our community—the 16 per cent of Australians who identify as Asian yet are currently being vilified and treated like boogiemen at auctions around our nation. They do not deserve this kind of treatment, and we ought to stamp it out in this place.

It is important to note that this bill differentiates on investment in agricultural land based on an investor's country of origin. The cumulative $15 million threshold will apply to some countries but not others. For example, the existing threshold of $1,094 million will still apply
for investors from the United States, New Zealand and Chile while a new, lower threshold of $15 million for rural land will apply to investors from China. As I say, it bells the cat. Why are the Chinese different? Why is Chinese capital different? There have been undertones of xenophobia in this debate—one might call it a xenophobic fear campaign—from those opposite, highlighted by the way the former Treasurer singled out Chinese foreign investors in this bill. Australia has benefitted from hundreds of years of foreign investment, and if we are to succeed in realising our potential in the Asian century we must continue to harness it in order to grow. To do that, we need foreign investment, and everyone in this House should welcome it.

Mr CHESTER (Gippsland—Parliamentary Secretary to the Minister for Defence) (13:25): Like my colleagues on this side of the House, in both the Liberal Party and the Nationals, I rise to speak in support of the package of three bills to strengthen Australia's foreign investment framework—the Foreign Investments and Takeovers Legislation Amendment Bill 2015 and two related bills. It is a great pleasure to follow my friend the member for Gellibrand, who gave us a lot of misinformation and accusations about double standards and hypocrisy and suggested that the people on this side were conflicted in relation to our dealings with China but failed to mention that the basic problem with the argument from a Labor perspective is that they are opposed to the Chinese free trade agreement. The member for Gellibrand has left the chamber, but I look forward to catching up with him soon and hearing more about how he now supports investment between Australia and China.

It is always very amusing for members who come from regional communities—like my colleagues the member for Forrest, Nola Marina, and the member for Lyons, here behind me, Eric Hutchinson—and who actually represent farmers in this place to get lectures from members such as the member for Gellibrand about farming. He talked about increasing agricultural productivity but then failed to acknowledge that the Chinese free trade agreement actually provides more opportunities for Australian farmers to deal with the Chinese market and puts them on a level playing field with our Kiwi cousins. We are at a price disadvantage right now with New Zealand, particularly with Fonterra. The Chinese free trade agreement actually provides opportunities for us to trade into that market on a more competitive basis.

So, I welcome the opportunity to debate this issue, and I welcome the contribution from the member for Gellibrand, because it just shows how hopelessly conflicted the Australian Labor Party is on this issue. I refer to the second reading speech by the member for North Sydney, about the nature of the legislation before the House. As he indicated, it is all about making sure that this legislative package will ensure that Australia has a welcoming environment for investment and also one that ensures that the investment is not contrary to our national interest. Surely that is the fundamental reason we are here debating this bill today—making sure that the foreign investment that occurs in Australia in the future is not contrary to our national interest. It adds more integrity to the system so that everybody plays by the rules, and with that integrity comes the opportunity for more compliance measures. I expect—and I think the vast majority of people throughout Australia who have raised this issue with me also expect—that our foreign investment rules are strong, that they are effective and that they are actually enforceable.

With this package of bills before the House we are implementing an election promise and keeping faith with the Australian people on our commitment to increase scrutiny and
transparency around foreign investment in agriculture. These bills are common-sense bills, and they have the support of the vast majority of regional Australians I have had the opportunity to meet with in my role as a member of parliament for the past seven years. Foreign purchase of agricultural land is an issue of great interest to people not only in my electorate of Gippsland but, more broadly, throughout regional Australia. Fundamental to the issue is getting a handle on exactly what is going on in our nation right now. There is an opportunity here to properly measure what is occurring throughout regional Australia rather than guessing, as has been the case in the past. So, when these new measures were announced in February I said that people in my electorate would welcome this legislation, and that has been the case in the ensuing months as I have met with people throughout Gippsland.

The vast majority of people in regional areas are not opposed to foreign investment as such and recognise that foreign investment has been critical to the economic development and the growth of Australia, not just regional Australia. We know that when it comes to agriculture the foreign investment regime strengthens our economy, promotes growth and can be in our national interest. But that does not mean that we should not apply proper oversight to the rules as they apply in this nation. These measures are not about stopping foreign investment but are about providing Australians with more information about who is buying land in our nation and how much land they are buying. As other speakers have recognised, foreign investments can bring many benefits and can support both existing jobs and the opportunity for new jobs.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour. The member will have leave to continue his remarks at that time.

**STATEMENTS BY MEMBERS**

**Parkinson's Disease**

Ms PARKE (Fremantle) (13:30): It was a privilege to attend a breakfast event this morning hosted by Parkinson's Australia to mark the launch of the Deloitte report titled _Living with Parkinson's disease: an updated economic analysis 2014_. It was very moving to listen to Bettina Clayton-Greene, an extraordinary woman and former registered nurse, about her experience of living with Parkinson's. Parkinson's affects nearly 70,000 Australians. It is the most common major-movement disorder and is second only to dementia in terms of neurodegenerative conditions. Thirty-two new cases are diagnosed every day and approximately 12,000 people will be diagnosed in the course of this year.

One of the issues that has been raised is the value of having more nurses with specific training in caring for people with Parkinson's. This would make a significant difference to the quality of care in hospitals, aged-care facilities and in the home. I am glad to say that Western Australia took an important step in this direction in 1998 by establishing a team of Parkinson's nurse specialists. This public health service innovation was the first of its kind in Australia, and the current team of eight Parkinson's nurse specialists do vital work in making home visits in both the metropolitan area and in the South West. It is now regarded as a best practice model, and I would hope it can be expanded and widened in scope to cover other parts of Australia.

I am very grateful to Parkinson's Australia for their work in gathering evidence to guide Australia's approach to better caring for those with Parkinson's disease, for advocating the
kinds of programs and measures that will make a difference in the lives of those affected and their families, and for promoting research into this terrible disease.

**Forrest Electorate: Bunbury Port**

Ms MARINO (Forrest—Government Whip) (13:31): The port of Bunbury is a vital part of economic life in the South West. There are some excellent plans afoot to expand the social aspects of the port of Bunbury, including proposals for a marina development and the expansion of the wonderful Dolphin Discovery Centre. Both are great projects worthy of support and are a step along the road to having Bunbury and its visitors re-engage with its beautiful water assets.

The port of Bunbury is also an active business, where more than 10 million tonnes of alumina and over a million tonnes of woodchips are exported every year. Bunbury is the biggest alumina exporting port in Australia, and one of the biggest in the world, with exports equating to over 12 per cent of world demand. It is part of the Southern Ports Authority, which also includes Esperance and Albany ports. Esperance port had a $54 million upgrade completed in 2002. In 2011, the WA state government opened a $42 million waterfront development at Albany to go with its new $70 million entertainment centre. So I really look forward to, and support, the local plans for expansion of the marina development and enhancing experiences and opportunities at the Dolphin Discovery Centre. This will help to extend the opportunities for locals and tourists to take advantage of the area between Casuarina Boat Harbour and Koombana Bay and improve the area for boat users and the general public.

**Nicol, Mr John, OAM**

Ms RYAN (Lalor—Opposition Whip) (13:33): I rise today to pay tribute to local man John Nicol OAM, who left us on 26 August. John Nicol was a great community member. He came to Werribee as shire engineer on our council and stayed to raise his family in the Hoppers Crossing community. In his years in our community he became embedded in our community. He was wonderful advocate for, and servant of, his neighbours and the people who shared his life. He worked tirelessly for the hospital, for Rotary and for Apex and he was founding member of the Committee for Wyndham. His most recent contributions included being on the consultation committee for the Regional Rail Link, which shows the esteem in which John was held. He was president of the Werribee Football Club for the past 10 years—the longest-serving president of that club.

I attended his funeral with a thousand others at St Peter's Catholic Church in Hoppers Crossing. My lasting memory of John would be watching him walk the platform of the Tarneit train station with the deputy leader of government, welcoming him to Wyndham and outlining plans for the football redevelopment, which is seeking funding under the Stronger Regions Fund. This was John's last community project. I hope it gets delivered.

**Lyons Electorate: Sport**

Mr HUTCHINSON (Lyons) (13:34): I want to congratulate two young women in my electorate of Lyons—both, as it happens, from the town of Evandale in the Northern Midlands. Firstly, I congratulate Meg Phillips, who is 19 years of age. Meg is the first female recipient of the Adam Gilchrist Cricket Scholarship, funded by the Lord's Taverners. The scholarship funds have enabled Meg to travel and play cricket in England. She is a right-
handed batter and a right-arm medium-pace bowler. Last season, one of her highlights was hitting 68 runs off 109 balls. She is currently playing county cricket in England, building her experience and skills.

Secondly, I would like to congratulate Jordyn Becker, who is 16 years of age and also from Evandale, for the inspiring effort that she has made to support her community netball club, the Generation Netball Club. She has arranged a world-record-breaking attempt with assistance of fellow team member Sarah Stuart to raise money for her club to by new uniforms. She received national coverage. She is still at high school, with the pressures of her TCE, yet managed to coordinate such a large event, where her netball team played for 72 hours and five minutes nonstop—beating the past record of 61 hours.

My congratulations to both of these inspiring young women.

Filipino-Australian Community Association

Mr THISTLETHWAITE (Kingsford Smith) (13:36): On 5 September, I was privileged to join members of our local Filipino community for the establishment of the Filipino-Australian Community Association, Eastern Sydney, and the induction of their newly elected office bearers for the next two years. This is the first local Filipino community association in our area. The group's major goals are to foster friendship and camaraderie and to promote the Filipino culture, customs and traditions in the Kingsford Smith community and more broadly across Australia.

The association will be affiliated to the Philippine Community Council, which for the last two decades has been doing outstanding work in promoting Filipino culture in Australia and is also involved in a number of charity works. In 2011 that charity work was recognised when they were awarded a New South Wales Premier's Community Service Award for their work on promoting Philippine economic, social and cultural growth in the state. The organisation will also work on fostering stronger relations between the people of Australia and the Philippines and, in particular, will support a number of Philippine charities aimed at improving living standards.

Australia and the Philippines have strong historical people-to-people links, and it is fantastic to see this local group build on these in our community. I also want to recognise Marford Angeles, the consul general, who joined me on the evening.

Gateway WA

Mr IRONS (Swan) (13:37): The Grand Gateway section of the Gateway WA project, Western Australia's largest ever road project, has been completed, four months ahead of schedule and reportedly under budget, under the Liberal state and federal governments. Many people deserve credit—the construction workers, the project managers and the state government, just to name a few—for bringing the spectacular set of new interchanges in under budget and ahead of time. But one person who does not deserve the credit he is claiming is the member for Grayndler, who almost sabotaged this whole project when he was minister for infrastructure by insisting it be linked to the funds raised by the mining tax. As you know, Mr Deputy Speaker, the mining tax raised no money at all.

So, when the coalition came to government in 2013, we had to work out how to fund this project and save it. Thanks to the current minister for infrastructure, we achieved this, and now the motorists, businesses and residents of Perth will benefit, along with our economy.
The entire Gateway WA project has created 7,000 jobs. To date, Gateway WA has invested more than $500 million in third-party suppliers and subcontractors. The vast majority of this work has been delivered by more than 600 Western Australian businesses.

I thank Prime Minister Abbott for opening the new stretch of road on Sunday. It was his sixth visit to Swan since being elected in 2013. Also attending the opening was the Premier, Colin Barnett; the member for Belmont, Glenys Godfrey; and the member for Forrestfield, Nathan Morton. I look forward to the future milestones of this project as it continues to be completed under budget and ahead of schedule by Liberal governments.

Hussaini, Mr Rohullah

Ms OWENS (Parramatta) (13:39): At 11 o'clock this morning I went out the front of Parliament House to meet a young man, Rohullah Hussaini. Rohullah is from a Hazara background, and he had ridden a bicycle from Swan Hill via Melbourne and Sydney, some 2,000 kilometres into Canberra, with a petition in his hand arguing for a more humane treatment of refugees.

Rohullah himself fled Afghanistan when he was 14 years old, travelled from Indonesia to Australia by boat and was picked up by the Navy in 2012. Official recognition of his refugee status came in June this year. He is an extraordinary young man who went out to Swan Hill very early on. He is a landscape gardener, and he is well and truly building a new life. For the last few weeks he has been meeting people one by one and talking to them about what it is to be a refugee and why this nation should have a more generous approach to people who are fleeing persecution. In his words: 'I wanted to show people that I am a refugee, I am from Afghanistan and they don't need to be scared of me.' Well, Rohullah, your commitment to helping others and your tenacity and strength over the last few weeks are not scary, but they are impressive, and we should be very proud to have you among us.

The Hazaras have been persecuted for centuries. They have travelled from one country to another, but I know that this is the last country for this particular Hazara, Rohullah Hussaini, and his family.

Battle of Britain: 75th Anniversary

Dr JENSEN (Tangney) (13:40): I would like to acknowledge the 75th anniversary of the Battle of Britain. Battle of Britain Day is the name given to 15 September 1940, when the Luftwaffe launched its largest and most concentrated attack against London in the hope of drawing out the RAF. It is right that we remember, acknowledge and never forget the sacrifice and bravery of those who fought and endured at the time. Our right to stand in this place of democracy would never have been so if those few men of the RAF had not won that freedom then. Let me, then, reiterate Prime Minister Churchill's words as a fitting marker for this significant anniversary: 'Never in the field of human conflict has so much been owed by so many to so few.' These are not fictional stories from a foreign land. Indeed, these are some of the old, weathered faces in our communities, like my electorate of Tangney.

Herbert Electorate: Rugby League

Mr EWEN JONES (Herbert) (13:42): It is football final season in Townsville, and it is all over the place. In the local TDRL finals, the Burdekin Roosters beat the Herbert River Crushers, who were the favourites. In the NRL this morning, the Sharkies will be able to
commence Mad Monday on Magnetic Island, because they will be going down in Townsville on Saturday night as the Cowboys march towards a first premiership.

The Townsville Mendi Blackhawks, in the Intrust Super Cup, won the minor premiership. We beat the PNG Hunters on the weekend; we are in the grand final. The PNG Hunters are playing the Ipswich Jets this weekend to see who meets us at Lang Park. This is the first season for the Mendi Blackhawks, and we are in the grand final. The bad news for everybody who is going to play against us is that Daniel Beasley, our captain, our soul, the toughest man in the side, will be back from a hamstring strain, and he will be leading the side out.

In Rugby Union, everyone knows my relationship with the Brothers club in Townsville. I love you guys, but I hate your club. The Fish went down to Teachers West, my Doggies. They won after the full time siren had gone, with a try in the corner, with 3,000 Brothers supporters absolutely crying their eyes out over the weekend. It was the greatest moment in Townsville Rugby Union history. Congratulations to all.

Newcastle Electorate: Arts

Ms CLAYDON (Newcastle) (13:43): Today I want to pay tribute to the creative spirit of Novocastrians and to celebrate the contribution that artists and creative minds make to our city. Newcastle is home to more artists per capita than any other city in Australia. Not surprisingly, we have a full program of festivals, events and performances, and our community arts and city renewal program is envied by all.

Last weekend, I attended the 15th annual Newcastle Emerging Artist Prize and exhibition, which opened up at the Newcastle Art Space. Finalists were sourced from the fields of textiles, painting, sculpture, photo media and works on paper. Congratulations must be given to all 57 finalists, but I particularly want to acknowledge this year's overall prize winner, textile artist Louisa Magrics, for her piece As Above, So Below.

I also want to pay tribute to Marcus Westbury for the launch of his new book, a provoking and inspiring book called Creating Cities, and his recent TV series, Bespoke, shaped in no small part by his life and work in Newcastle. Creating Cities gives a behind-the-scenes look at the award-winning and internationally replicated urban regeneration project Renew Newcastle. Renew Newcastle is now a model for cities and towns around the world. Newcastle was also honoured to host the launch of Marcus's new TV program, Bespoke, a thoroughly engaging, amusing and ultimately thought-provoking TV series about the rise of homemade, bespoke, locally produced and artisan produce.

Science in Australia Gender Equity Pilot

Ms BRODTMANN (Canberra) (13:45): This afternoon, I attended the launch of the Science in Australia Gender Equity Pilot of the Athena SWAN Charter, which aims to help improve gender equity and diversity in science, technology, engineering and maths. As someone with two sisters who are scientists—Meg is a former AIDS researcher and now a winemaker and Amy is a neurologist—I know the systemic and cultural impediments faced by women in STEM. So I applaud SAGE and the work that it is doing to get more women into STEM and to keep them there.

I would like to applaud the universities and institutions who have signed up to the charter program, one of which is the CSIRO—an agency that lost almost $115 million in the government's 2014 budget. The Abbott government also cut $878 million from science and
research agencies in last year's budget. The scale of this government's attack on science is quite extraordinary. Over the past two years this government has cut funding to the CSIRO and other agencies, proposed to treble the cost of science degrees, failed to appoint a science minister and shown general contempt towards scientists and their work. These attacks are reckless and will jeopardise Australia's future prosperity, innovation and creativity.

I ask our new Prime Minister to restore funding to our science agencies, appoint a science minister and show science and scientists everywhere the respect that they deserve.

Mr CRAIG KELLY (Hughes) (13:46): I rise to speak on a recent decision by the New South Wales Planning Assessment Commission on what they call the resource recovery facility at Moorebank. It is more accurate to call this a concrete crushing plant at Moorebank, which will crush half-a-million tonnes of bricks, asphalt and concrete close to a residential area.

This is a project that has a long and sordid history of dodgy rezonings and political cash handed to the Labor Party. The latest in this sordid affair is this appalling and atrocious decision by the New South Wales Planning Assessment Commission. The decision is simply devoid of logic and it simply ignores the evidence. The decision lacks a fundamental understanding of air pollution, especially particulate matter. The proponent's original proposal did not even consider, or have any information about, fine particulate matter. For that reason alone it should have been rejected by the Planning Assessment Commission. This is an absolute disgrace. We need to take air pollution seriously in Western Sydney. I will continue to stand with our local council and our local state member, Melanie Gibbons, and do everything we can to oppose this. This is an appalling decision by the New South Wales Planning Assessment Commission. They should be absolutely ashamed of themselves.

Mr RIPOLL (Oxley) (13:48): I want to acknowledge William Chandler from Centenary State High School, who is undertaking work experience here in Canberra. William has spent the past two days at the Australian War Memorial and has worked with the tour guides, showing groups of students around the memorial, as well as working within the exhibits section and sorting through a variety of historical photographs and artefacts. William will continue work experience on Thursday and Friday with the military heraldry section and the education section whilst doing work experience in my office here today.

When William initially inquired with the Australian War Memorial, they did not have a work experience program. As William has a strong passion for military history, he contacted me to get some advice on how to approach the department. He produced a flyer suggesting a student work experience program, which he thought would be extremely beneficial to students across the country and to the War Memorial itself.

Within days, the memorial contacted William accepting his proposal. Throughout the week, William has gained an incredible insight into the wonderful work involved at the Australian War Memorial. The memorial has provided a wonderful opportunity for William, who has an incredible passion for our history—Australian and military—at the very young age of just 16 years.
I want to thank the Australian War Memorial for taking William on this week and giving him this great opportunity. I also want to recognise William's initiative, and I hope that his hard work has opened the door for other students around the country in the future. William is a delightful young man and I wish him all the best in the future.

Royal Commission into Trade Union Governance and Corruption

Mr LAMING (Bowman) (13:49): I do not really care how anyone votes—you would be shocked if you knew that, in this country, in this day and age, kickbacks were being paid to union officials as part of agreements with construction companies. But I am updating this chamber that this morning we have had further testimony from former Mirvac employees about a BLF-CFMEU head who had his house built using workmen who were paid for by a construction firm, allegedly. That is right. What are the connections and the alleged secret commissions being paid to have someone have their mansion built near my electorate using tradespeople sent down by a construction group that the union has an engagement with? These secret commissions are illegal under the Criminal Code, and we need to get to the bottom of this and not try and kill off a union corruption royal commission. Australians would support these kinds of things being exposed. They belong in qangos at the turn of the last century. They have no place in the 21st century. I learned that near my electorate they are building a 500 square metre home with four bedrooms and bathrooms, three garages and a butler's kitchen. Gee, life is good in the union movement—especially when someone else builds your home for you!

These allegations needed to be aired. They need to be proven and we need to know the connections with construction firms that are doing these kinds of deals. They are only allegations at the moment, but the royal commission needs to expose them, and this Leader of the Opposition, who continues to try and suppress and neutralise this inquiry, should join every other self-respecting Australian and let the law do its work.

National Disability Insurance Scheme

Ms CHESTERS (Bendigo) (13:51): Today I rise to welcome the announcement that finally we have a start date for the NDIS in Victoria. It is great to be able to stand here and say that my area of Bendigo, the City of Greater Bendigo, Macedon Ranges and Mount Alexander will be part of the first year of the rollout. We have a start date of 1 May 2017. So congratulations to all the people in my electorate who spoke up about the importance of this. In the Bendigo electorate, roughly 3,400 individuals and their families will benefit from the rollout of the NDIS. I acknowledge that it is a little bit later than we had hoped.

Originally, the Labor plan, when we were in federal government, was for the rollout to happen on 1 July 2016. But after the election of this government negotiations and discussions with the then Victorian state Liberal-National government stalled, and it was only after the election of the Victorian Labor government did those discussions get back on track. I would also like to acknowledge the hard work of my local state MPs Jacinta Allan, Maree Edwards, and Mary-Anne Thomas, who fought really hard to get the negotiations back on track. This is a great reform, it is a great Labor legacy and I am so proud and so happy for all the families in my electorate who will benefit from the rollout of the NDIS.
Cowan Electorate: Koondoola Primary School

Mr SIMPKINS (Cowan) (13:52): I would like to speak about Koondoola Primary School, in the south of the Cowan electorate and in the suburb of Koondoola. The good news is that Koondoola Primary School has been providing quality education to young people in Koondoola for 40 years this year. The school started in 1975, and it has certainly gone from strength to strength. On Friday, there is going to be an occasion to mark this 40th anniversary. One of the guest speakers will be former Koondoola Primary School student, a foundation Koondoola Primary School student, Dany Bezaud. He started in 1975, when the school was opened. By strange coincidence, and obviously this says something about the quality of the family, the head girl this year is Kitana Bezaud, while the head boy is Kim Trinh.

I would also like to acknowledge the great work of the leadership team, Mr Rod Steere, who has been the principal at Koondoola Primary School for many years; his deputies, Marinus Potter, Graham Pearce and Janet Anthony, have also been there for many years. Koondoola Primary School is doing great work, and it is a great testament to the success of the school that they have reached 40 years. I look forward to the celebrations.

National Disability Insurance Scheme

Mr STEPHEN JONES (Throsby) (13:54): Before I was elected to this place, I spent many years as a community worker, including many years working for people with disabilities—including young kids with developmental disabilities and people who had recently suffered a spinal cord injury—and helping them to find their way back into some semblance of a normal life. So it was with great pride that I stood on that side of the House and spoke in favour of the legislation that was introduced into the House by Prime Minister Julia Gillard in 2013, which laid the foundations of the National Disability Insurance Scheme.

This is a scheme that will transform the lives of nearly half a million Australians, and their families and their carers. It is truly revolutionary. It follows in the footsteps of a series of revolutionary Labor reforms, which we all own as a parliament and that we have all gone on to be very, very proud of as Australians. I am proud to say that in my own area, the Illawarra, from July 2017 the NDIS will be arriving. When I spoke to the service providers in the Illawarra today, including the Illawarra Disability Trust and other service providers, they welcomed it. Sure they said, 'It would have been good if it had come a year earlier.' We envy some of those regions whose MPs spoke earlier—the member for Canberra is here and I know that it has rolled out early in her region. We envy them. We are going to have a first-class disability service in the Illawarra, and that is something we are proud of. (Time expired)

Moore Electorate: City of Joondalup

Mr GOODENOUGH (Moore) (13:56): I am pleased to support the City of Joondalup in its endeavour to develop a regional performing arts and cultural centre in the heart of Joondalup. Recently, I facilitated a meeting between Mayor Troy Pickard and chief executive officer, Garry Hunt, and staff from the Deputy Prime Minister's office to provide a project briefing to start the application process for federal funding. The city has specifically acquired an 8,000 square metre site for the purpose. The site adjoins Central Park and the Joondalup Learning Precinct, and is located across the road from the major shopping centre. It is in close proximity to the train station, civic centre and library.
A report identified the primary catchment area as being 330,000 residents, with a secondary catchment area including most of the North Metropolitan region. The main facilities will comprise a lyric theatre with capacity for 850 seats and a smaller 200-seat black box theatre for more specialised theatre staging. The objective is to attract high profile and renowned performers and artists to our regional city by staging popular, sought after theatrical and musical productions. There will also be scope to display and showcase visual arts and crafts in a dedicated art gallery, spaces for the practice of fine art— (Time expired)

**National Disability Insurance Scheme**

Ms MACKLIN (Jagajaga) (13:57): I want to say huge congratulations to everyone who has been involved in getting the agreement signed between the Commonwealth, the Victorian and New South Wales governments to see the full rollout of the National Disability Insurance Scheme. There are hundreds of thousands of people with disability who will benefit from this agreement today, and I want to particularly say to those people with disability who have campaigned all their lives for this major reform: this is your day.

I also want to say a very big thank you to people in my electorate, because the National Disability Insurance Scheme is going to start in the local government areas of Banyule and Nillumbik from the middle of next year, so it will be a very exciting time for people with disability, for their families and for carers, and of course for all of the people who deliver services in our community. People I have met who are already benefiting from the National Disability Insurance Scheme tell me that for the first time they are able to say that their dreams are being met, and it is because of this extraordinary campaign by so many people with disability all around Australia that those dreams can be met. Thank you everyone who has done such a wonderful job to make it a reality.

**Macquarie Electorate: Bushfire Building Expo and Community Forum**

Mrs MARKUS (Macquarie) (13:59): The bushfire building expo and community forum will be held at the Blue Mountains Theatre and Community Hub at Springwood, and I look forward to attending it. The funding was delivered for this event under the Commonwealth and New South Wales governments' flexible grants program, made possible by category C of the natural disaster relief and recovery arrangements. It is a free event that will be held for anyone living in a bushfire zone, and will include presentations from the New South Wales RFS, Fire Protection Association Australia, GIO and CSIRO. I congratulate and particularly thank the former state member for Blue Mountains, Roza Sage, for advocating with me for the funding that was granted. (Time expired)

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

**QUESTIONS WITHOUT NOTICE**

**Climate Change**

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00): My question is to the Prime Minister. The Prime Minister famously, previously, said:

I will not lead a party that is not as committed to effective action on climate change as I am.
Isn't that exactly what the Prime Minister is doing when it comes to his government's Direct Action policy, and has the Prime Minister sold out his principles to achieve his personal ambition?

Mr Turnbull (Wentworth—Prime Minister) (14:00): I thank the honourable member for his zinger and I have to say that he is showing today a great example of the triumph of hope over experience. Yesterday he asked exactly the same question and, once again, he demonstrated a fundamental failure to understand the climate challenge.

The challenge of responding to climate change in the context of an international agreement is to reduce emissions. It does not matter how you reduce those emissions: whether you have an emissions trading scheme, whether you have an emissions reduction fund, whether you have a carbon tax, whether you have regulation—there are so many tools available, but each of them have different costs and benefits in different contexts and at different times.

What the Australian government, the coalition government, has done—thanks to the hard work of the environment minister—is come up with a set of policies which will have the effect of reducing emissions to the extent proposed by the foreign minister to the Conference of Parties in Paris of 26 and 28 per cent. As the environment minister has demonstrated, he is reducing emissions at a very low cost. That is what the honourable Leader of the Opposition cannot bear. What he cannot stand is the success of this government's policies.

I repeat: the object is to reduce emissions. The Leader of the Opposition consistently—and it is a problem shared by many people in his party—confuses the means with the end. The object is to reduce emissions. We are reducing emissions, and that is the environmental objective of the Conference of Parties. The methods that we have set in place—that the environment minister has set in place—are working, and the Leader of the Opposition cannot bear the truth about our methods.

Economy

Ms Price (Durack) (14:03): My question is to the Prime Minister. Will the Prime Minister update the House on the challenges facing the economy, particularly for families in Western Australia and Canning? How will the government's economic plan boost jobs and growth?

Mr Turnbull (Wentworth—Prime Minister) (14:03): I thank the honourable member for her question, and she well knows, from her own seat representing most of Western Australia—

Opposition members interjecting—

Mr Turnbull: that the wind-down in the investment phase of the mining boom has had a real impact on many communities around Australia.

Opposition members interjecting—

Mr Turnbull: I think honourable members should perhaps stop guffawing and listen for a moment. The fact is that the Western Australian economy has been driven by a massive investment boom in constructing mining projects. I was discussing this with a number of fly-in fly-out workers on the train back from Mandurah only the other day, and they—

Mr Perrett interjecting—

The Speaker: The member for Moreton is warned.
Mr TURNBULL: are very, very anxious about the consequences for them of this wind down in the mining boom and they were very interested in talking to me about the jobs that we are providing—for example, 900 new jobs for the construction of the National Broadband Network in Western Australia. They were very interested in the China free trade agreement, recognising that it is going to produce many opportunities for new jobs in other industries and new industries in Western Australia.

Western Australia, and the seat of Canning in particular, is not is one-trick pony. There is a lot more to Western Australia than mining, construction or indeed the resources sector. It is a state of enormous potential with an enormous range of industries, ranging from high-tech industries, agriculture to some of the finest wine in Australia. It is a hive of industry, but that industry needs markets and the China-Australia free trade agreement. Every audience I spoke to in Canning, whether it was in the pub in Byford, the bowling club in Pinjarra, meeting people in the street with Andrew Hastie, our outstanding candidate, or on the train, wanted to hear about our plan for jobs, our plan for a stronger Australian economy. They were excited to know that the coalition government, our government, had a vision for the future. We are optimists. We are not like the Leader of the Opposition, like his party, pinning ourselves to the scare campaigns of the CFMEU. We are not seeking to frighten the people of Canning; we are offering them a vision and a program that is going to give them jobs. Whether it was the FIFO workers on the train or the people in the pub at Byford, they recognise that Andrew Hastie and the coalition has the key to more jobs and a stronger economy in Canning and across that great state.

Carbon Pricing

Government members interjecting—

Mr BUTLER (Port Adelaide) (14:06): Do I look smarter?

Mr Turnbull: The honourable member asked if he looked smarter, and the answer to that is clearly no!

Mr Butler: My question is to the Prime Minister. Yesterday the Prime Minister told the House that under Tony Abbott's direct action policy 'this government is cutting emissions', but RepuTex modelling released just this month shows that under direct action emissions from Australia's biggest polluters will increase by 20 per cent in the next 15 years. When exactly did the Prime Minister sell out his beliefs on climate change?

The SPEAKER: The Minister for the Environment.

Opposition members interjecting—

Mr Butler interjecting—

The SPEAKER: The members on my left will cease interjecting. Resume your seat. There is no point of order. The Prime Minister is quite entitled to refer the question to the minister.

Mr Butler: I have asked the Prime Minister when he sold out his beliefs. I am sure the Minister for the Environment has a view about that, but ultimately only the Prime Minister knows the answer to that question.

Mr Pyne interjecting—
The SPEAKER: The Leader of the House will resume his seat. There are a number of statements and questions in there. It was a long question. You took pretty much the full 30 seconds.

Mr Pyne: Mr Speaker, I rise on a point of order. The substance of the question was a question. The line that the shadow minister then used to describe his question, which is the last part of the question, was clearly out of order. If the shadow minister insists that that is the question then he is actually ruling his own question out of order.

You had a bad day yesterday. You lost four questions yesterday. You're going to have another bad day today. But, if you want a genuine answer to the substance of the question, the minister is prepared to answer it.

The SPEAKER: The Leader of the House will resume his seat. The Minister for the Environment has the call—or I can go to the next question.

Mr HUNT (Flinders—Minister for the Environment) (14:09): I am actually delighted to answer this question on behalf of the government because on this side we love the environment. We have had 62 questions on the environment and two in two years from our honourable friend on the other side with the very smart looking glasses. Let me say that he loves the environment so much that his questions have included migration, shipbuilding, marriage equality, health funding, education funding—

The SPEAKER: The Minister for the Environment will return to the subject of the question.

Mr HUNT: paid parental leave—and I could list a whole lot of others, but they have not been about the environment. But let me deal with this.

Ms King interjecting—

The SPEAKER: The member for Ballarat will cease interjecting.

Mr HUNT: We are making dramatic and real progress under our approach to reducing emissions. It is actually working, because what we saw in the latest national inventory statement for the last quarter was that we had the lowest emissions since 2004 in trend and seasonal terms. They are the official national figures. They were released in the last few weeks.

Where does this fit? In 2008, when their justification for the carbon tax was put down, they said there was a gap of 1.3 billion tonnes which had to be filled between 2012 and 2020. Then in 2013 they said it was a gap of 750 million tonnes. Then it became a gap which we discovered at 426 and then 236. And do you know what?

Mr Ewen Jones interjecting—

The SPEAKER: The member for Herbert is warned.

Mr HUNT: Our latest projections are that we will achieve our targets. We will do it in a way which was never offered under them, because their only approach was higher electricity prices. We are doing this by reducing the cost of living on Australian families and reducing emissions. They increased the cost of living and they failed in any significant way to reduce emissions.

I am, of course, not allowed to show props, but, between now and election day, every time I come to this dispatch box I will come and lay on the table the report Shorten did not want
you to see: the ALP's $600 billion carbon bill. Every day I come to this dispatch box, that will permeate. We are reducing emissions without a carbon tax. The facts are they are the lowest carbon emissions since 2004, electricity prices are lower under us and we are reducing emissions. Under them, electricity prices are up and emissions are up. *(Time expired)*

**Mr Butler:** The Prime Minister obviously is not aware of this modelling. I seek leave to table the modelling from RepuTex that indicates that emissions will increase by 20 per cent under Tony Abbott's direct action policy.

**The SPEAKER:** Is it a newspaper clip?

**Mr Butler:** It is a media release from RepuTex headed 'Safeguard emissions rules indicate significant disconnect'—

Leave not granted.

### Infrastructure

**Mr WILSON** (O'Connor) *(14:12)*: My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Will the Deputy Prime Minister inform the House of action the government is taking to assist local communities with the development of infrastructure to enable local growth, particularly in my state of Western Australia?

**Mr TRUSS** *(Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development)* *(14:13)*: I thank the honourable member for his question because this government is delivering important infrastructure for communities right across the nation. There has been a lot of talk about our $50 billion infrastructure investment program, which people are seeing in practical form in projects right across the nation. A lot of those are major projects in our capital cities and on major highways, but by far the greatest number of projects are small projects in regional and local communities.

A good example of this substantial investment in local communities is the Roads to Recovery program. This is one of the most popular programs around the nation because it delivers and helps councils to upgrade and maintain their local road network. This government has trebled the amount of funding to go to local councils around Australia under the Roads to Recovery program this year and next year—trebled the amount of money to fix local potholes, to fix up local streets, to ensure that the last mile of the road network is able to be maintained in a reasonable sort of way.

That means practical differences at the local level. For instance, in the electorate of Canning, councils will receive $6.7 million under this funding this year and $7.5 million next year. They will be able to direct that to projects of their choice. It is treble the amount of money that they have been receiving traditionally, and is making a real difference to local roads.

But that is not all. In the Black Spot Program an extra $100 million has been provided over the next two years, and that translates to 14 black spot projects in the electorate of Canning alone—that is 14 dangerous spots where accidents have been occurring, or are likely to occur, that will be fixed. That means safer roads at the local level. We will continue the financial assistance grants for councils as well so, again, they are able to fund local projects of their choice. The Serpentine Jarrahdale council in Canning received $245,000 for the construction and fit-out of a community kitchen under our billion-dollar National Stronger Regions Fund.
What we are doing is delivering projects for regional communities: $1.7 million is being spent to replace decks on two bridges on the South Western Highway near Byford. These are practical examples of our $50 billion national infrastructure project delivering results for local communities—in Canning, in all of Western Australia and right across the country.

**Climate Change**

Mr BUTLER (Port Adelaide) (14:16): My question is again to the current Prime Minister. The Australian Industry Group has calculated that achieving the government's 2030 emission reduction targets through government payments under the Emissions Reduction Fund would cost between $100 billion and $250 billion. Does the current Prime Minister consider $250 billion an appropriate price to pay to keep the National Party and the right-wing extremists happy, just to achieve his lifelong ambition to become Prime Minister?

The SPEAKER: Before I call the Prime Minister, he will ignore the last part of the question. I call the Prime Minister.

Mr TURNBULL (Wentworth—Prime Minister) (14:16): The honourable member really should be able to do better than this.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is warned.

Mr TURNBULL: Let me tell the honourable member what the Australian people hate.

Mr Champion interjecting—

The SPEAKER: The member for Wakefield will cease interjecting.

Mr TURNBULL: They hate these sorts of slogans or zingers. They want to have a serious debate. What the honourable member does is put up a premise which obviously we do not accept, so the answer is: we do not accept that premise. The commitments under the Emissions Reduction Fund are capped; the honourable member knows that. So this is just an attempt to get a little grab of himself with a slogan. If he really cared about the issue, why wouldn't he actually make the case, put the analysis in a debate and take on the environment minister—actually take on his counterpart. But no. He is only interested in his little bit of the question getting on the television. Really, the Australian people want us to deal with these issues seriously. If he wants to make a case that the government's policy cannot achieve what we have said it will or that it has not achieved what we have said it will, then he should make that case rather than throwing out there absurd numbers which he knows have no basis in reality.

**Employment**

Mr WILKIE (Denison) (14:18): My question is to the Prime Minister. Before the last election, the Liberal Party identified an urgent need—

Mr Ewen Jones interjecting—

The SPEAKER: I remind the member for Herbert that he is warned.

Mr WILKIE: for $16 million dollars of economic stimulus, specifically in Glenorchy. But now you are spending most of the Cadbury money elsewhere in Tasmania, a move supported by the ALP in a sign that both Liberal and Labor have given up on Glenorchy jobs.

Mr Nikolic interjecting—
The SPEAKER: The member for Bass is warned.

Mr WILKIE: Prime Minister, what is your plan to deliver on the promise to spend all of $16 million on jobs in Glenorchy?

Mr TURNBULL (Wentworth—Prime Minister) (14:19): I thank the honourable member for his question. The government was very clear that the Cadbury money would be reinvested in Tasmania, and so it will be—$16 million will be invested in a new jobs and investment fund to support the Tasmanian economy and to strengthen the competitiveness of that local economy. I have to remind the honourable member that the commitment to the Cadbury factory would have had benefits far beyond a particular street, suburb, postcode or city. This project would have seen increased dairy production in the north of Tasmania, increased logistics activity across the state and, of course, more jobs at the factory itself. So the project would have provided economic benefits across the state, not just in Glenorchy. Glenorchy is not a hermetically-sealed economy in and of itself; it is part of Tasmania. So any investment there at Cadbury would have benefited the whole state—and the honourable member, I am sure, agrees with this.

Sadly, it was Cadbury that withdrew its request for the funding.

Mr Champion interjecting—

The SPEAKER: The member for Wakefield will cease interjecting.

Mr TURNBULL: But I can, however, assure the honourable member that this will be a thoroughly consultative, forward-looking government—one that invests in growth to improve the prosperity of communities right across Australia, including, of course, Glenorchy in the honourable member's electorate. The Tasmanian government has said it will contribute $8 million to the fund, and the private sector will need to put in $2 for every $1 of government spending. This means the fund will potentially attract up to $72 million in funding from the government and the business community, and this is undoubtedly a huge opportunity for local business in both Glenorchy and right across Tasmania to embrace the future with a sense of optimism—to be more innovative, more agile and, above all, to invest in the enablers that will lift performance and deliver greater prosperity. That commitment, this commitment of which I have spoken—

Ms Collins interjecting—

The SPEAKER: The member for Franklin will cease interjecting.

Mr TURNBULL: is on top of the more than $1 billion this government is already investing in the honourable member's state.

Ms Collins interjecting—

Mr Pyne interjecting—

The SPEAKER: The member for Franklin and the Leader of the House will cease interjecting.

Trade with China

Mr GOODENOUGH (Moore) (14:21): My question is to the Minister for Foreign Affairs. Will the minister update the House on the government's efforts to further engage with China and advance our economic and political relationship in a way that will create jobs and help families in Western Australia, particularly in the electorate of Canning?
Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:22): I thank the member for Moore for his question. As he well knows, China is absolutely central—

Mr Champion interjecting—

The SPEAKER: The member for Wakefield is warned.

Ms JULIE BISHOP: to Australia's economic and strategic interests. It is Australia's largest merchandise trading partner, our largest source of overseas students and our second-largest source of overseas visitors. In fact, last financial year, nearly one million Chinese visitors and tourists came to Australia, and they contributed $7 billion to our economy. That is a 32 per cent increase on the previous year. The member for Moore will be delighted to know that, over the same period, 40,000 Chinese visitors and tourists came to Western Australia, spending $207 million in Western Australia. I know that the tourist sector in Canning would have benefited from that.

This historic China-Australia Free Trade Agreement will lay the foundation for even stronger economic and investment relationships between us because it will allow for a range of industries and sectors to capitalise on the burgeoning Chinese middle class. For the first time, for example, China has guaranteed an open door for Australian-owned businesses to build, wholly own and operate restaurants and hotels in China, and there will be a similar deal for aged-care facilities and hospitals in certain locations.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton has been warned.

Ms JULIE BISHOP: So this free trade agreement will underpin closer ties and trading ties that are going to create jobs and opportunity for Australians and for Australians working in China.

But, for our relationship to prosper and to ensure that it endures well into the future, it will not be just about trade and investment. It is a deeper understanding facilitated through exchanges of ideas and culture and opportunities and people. This is a relationship that requires and deserves close attention, nurturing, careful management and respect. In November of this year we will host in Sydney the next round of the Australia-China high-level dialogue, which will bring together senior figures from both our countries in business, education, media and culture to explore concrete ideas to build closer bilateral exchanges.

It is estimated—and this is an interesting point—that Chinese people are spending something like US$10 trillion globally on luxury goods, so the potential for Australia's creative industry, our creative economies, to tap into this enormous middle class and this huge luxury goods market will be facilitated by the free trade agreement. Our fashion industry, which contributes about $12 billion to the Australian economy and already employs about 220,000 people, will grow enormously under the China free trade agreement because our designers and our leather, our wool and our cotton—the fabrics used in our fashion designs—will be high-quality products much sought after by the Chinese market.

Both Australia and China stand to profit as we strengthen our relationship. Labor must follow through on its commitment to make this the Asian century. (Time expired)
Renewable Energy

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:25): My question is to the Prime Minister. Will the Prime Minister join Labor in adopting a policy to ensure that 50 per cent of Australia’s energy is sourced from renewables by 2030?

Mr Hutchinson interjecting—

The SPEAKER: The member for Lyons will cease interjecting.

Mr TURNBULL (Wentworth—Prime Minister) (14:25): The questions from the Leader of the Opposition get worse and worse. He is highlighting one of the most reckless proposals the Labor Party has made. Fancy proposing, without any idea of the costs, without any idea of the abatement costs, that 50 per cent of energy had to come from renewables!

Mr Champion interjecting—

The SPEAKER: The member for Wakefield has already been warned.

Mr TURNBULL: What if the reduction in emissions you needed could come—

Mr Conroy interjecting—

The SPEAKER: The member for Charlton is warned.

Mr TURNBULL: more cost-effectively from carbon storage, by planting trees, by soil carbon, by using gas, by using clean coal or by energy efficiency? There are so many means of reducing emissions. Any rational person, particularly one seeking to be Prime Minister, would say, ‘We will cut emissions in the cheapest possible way.’ That is what anyone would say. The honourable member is proposing to cut emissions by having 50 per cent renewables, and he does not even know what the cost is.

Clearly, the object is least-cost abatement, and that is exactly what the Minister for the Environment has come up with with his Emissions Reduction Fund.

Opposition members interjecting—

The SPEAKER: Members on my left!

Mr TURNBULL: The Labor Party can hoot and shout. I know they are disappointed. I know it breaks their heart that the Minister for the Environment has a good policy that is working. It breaks their heart because it offends their ideology, but I say to the honourable members opposite: you cannot confuse the means with the end. The goal is to reduce emissions. There are many means to that end, and all of them have advantages and disadvantages in different contexts.

The environment minister has developed a policy, an Emissions Reduction Fund, which does not just work in theory; it is working in practice. It works in practice as well, and that offends the Leader of the Opposition. He is so upset, because he wants to have an uncosted environmental policy: 50 per cent renewables. How much will it cost? No idea! Good heavens, it is back to the NBN! It is as though Senator Conroy has become the environmental policy adviser for the Leader of the Opposition. Really, if the Leader of the Opposition seriously wants to lead this country, he should propose policies, whether in the environment or anywhere else, which are carefully thought through and costed.
DISTINGUISHED VISITORS

The SPEAKER (14:28): Before I call the member for Tangney, I wish to inform the House that we have present in the gallery this afternoon Mrs Carrie Lam, Chief Secretary for Administration in the Hong Kong Special Administrative Region Government. On behalf of the House I extend her and the rest of her guests a very warm welcome.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Trade with China

Dr JENSEN (Tangney) (14:28): My question is to the Minister for Trade and Investment. Will the minister update the House on why it is important for our economy, particularly in Western Australia, that our historic trade export agreement with China is brought into force by the end of this year? What obstacles are there to this approach?

Ms Ryan interjecting—

The SPEAKER: The member for Lalor will cease interjecting.

Mr ROBB (Goldstein—Minister for Trade and Investment) (14:29): I thank the member for Tangney. He knows, only too well, that Western Australia is being hurt most by the collapse in the mining and energy prices. It is why from day one, as a government, we placed a very high priority on completing the trifecta of trade agreements as a bridge to driving much greater diversification post the mining boom. It has been an explicit part of our economic policy to do that. The member also knows, to this end, that professional services are an important part of his electorate—legal services, education, architecture, construction and planning, all of those sorts of different services which are gold standard in Australia and in his local area, as well as light manufacturing and high tech—and the China trade deal will open new doors for all of these and many more. In fact, we have got preferences on services that no other country in the world has been provided with by China. We have got a first-mover advantage on literally dozens and dozens of services that we are seeing as gold standard in the country. We have got all of these services which can then be, for the first time in many cases, made available across China. It will involve investment from here into China, but it will create literally thousands of jobs and a business extension into a country of 1.35 billion people. The opportunities are enormous, and we have got exclusive right to many of these opportunities. It is there for the taking from the end of this year if we get this thing entering into force.

Of course, Canning is the neighbouring electorate and, hopefully, by early Saturday night we will have an outstanding new Liberal member of parliament, Andrew Hastie. Again, there are a whole range of goods—wine, horticulture, Wagyu beef; all sorts of different agricultural products—as well as many, many services in that electorate. Also, it has many people, in particular, who are looking for alternative forms of employment as they are former fly-in fly-out mining workers. It is a critical area of people looking for alternatives, and this free trade agreement provides those alternatives. The only obstacles standing in the way are those opposite. Surely we can return to a bipartisan approach on a policy which is of such national significance— (Time expired)

Ms Butler interjecting—
Dr Chalmers interjecting—

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

Murray-Darling River System

Ms KATE ELLIS (Adelaide) (14:32): My question is to the Prime Minister. Will the Prime Minister rule out reselling environmental water entitlements in the Murray-Darling back to irrigators? Has the Prime Minister abandoned his own reforms and is this the price that he had to pay to become Prime Minister?

Mr TURNBULL (Wentworth—Prime Minister) (14:32): Again the Labor Party misses the whole point about water. The two architects of the National Plan for Water Security were the former Prime Minister Mr Howard and me.

Ms Kate Ellis interjecting—

The SPEAKER: The member for Adelaide will cease interjecting.

Mr TURNBULL: I introduced the Water Act in 2007, and the object of the Water Act, as you know, was to ensure a more sustainable use of water through the Murray-Darling Basin for both farmers, irrigators, in particular, and of course for the environment. All of that legislation is now well in place. I see the honourable member opposite who was minister for water during the Labor government and well remembers it. This is a very well-settled reform. It is a very solid and secure reform. What the honourable member overlooks is that the government is investing more than $12 billion—

Ms Kate Ellis: Mr Speaker, I rise on a point of order on relevance. Will the Prime Minister rule out reselling environmental—

The SPEAKER: The member for Adelaide will resume her seat. The Prime Minister is relevant to the question.

Mr TURNBULL: The management of water in the Murray-Darling Basin is a very complex matter. It was in the too-hard basket for over a century, and the honourable member, as a South Australian—

Ms Kate Ellis interjecting—

The SPEAKER: The member for Adelaide will cease interjecting.

Mr TURNBULL: I should understand that it was a coalition government, it was the Howard government, that for the first time took national responsibility for water in the Murray-Darling Basin. Labor governments had taken no interest in this. It was our side of politics that recognised the challenge of managing water, and managing water as between the environment and agriculture is always a complex management issue.

Ms Rishworth interjecting—

The SPEAKER: The member for Kingston will cease interjecting.

Mr TURNBULL: But of course the problem with the Labor Party is that they regard every single farmer, every single irrigator, as an environmental vandal. They do not accept that water has to be sustainably managed through the system by farmers, by irrigators, by townships and by the environment. The sustainable management of the Murray-Darling Basin is one of the greatest achievements of the Howard government. It was nearly wrecked by the
Labor Party in government but fortunately survived and is now back in good hands. We care about water, we know about water and we know that the best environmentalists in Australia, the ones that understand the water and the country better than anyone, are Australia's farmers.

Honourable members interjecting—

The SPEAKER: The member for Adelaide will cease interjecting. The minister will cease interjecting. The member for Swan will resume his seat. The member for Kingston continued to interject right through the answer. I had asked her not to interject. She is warned and the member for Adelaide is warned as well.

Economy

Mr IRONS (Swan) (14:36): My question is to the Treasurer. Will the Treasurer outline to the House the challenges facing our economy and how the government is responding to those challenges? How will the government's economic plan help families in my electorate and across Western Australia?

Mr HOCKEY (North Sydney—The Treasurer) (14:37): I thank the honourable member for Swan for that question. The member of the Swan knows, as a West Australian, that there have been significant challenges in the Western Australian and the Australian economy over the last two years as we have transitioned from a mining construction phase economy into a mining production phase. Importantly we have seen commodity prices for iron ore, for example, fall from $120 a tonne to $50 a tonne. That has had a big impact on Western Australia. It has had a big impact on Australia.

As a result of the transition of the Australian economy, we lost 43,000 jobs in the mining industry. But the good news is that during that enormous transition, particularly with its impact on Western Australia, 32,000 more jobs have been created in Western Australia since we came to government. Despite the fall in commodities prices, despite the tapering off of mining construction, there are 32,000 more West Australians in jobs since we came to government.

You have got to open up the opportunities as well. I can report to the House that today the Asian Infrastructure Investment Bank enabling legislation passed through the Senate and that means that we are going to get more opportunities in the Asian region and that is terrific.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will cease interjecting.

Mr HOCKEY: Last month we had record volumes of iron ore pass through Port Hedland. The latest data indicates that of those record volumes of iron ore, 87 per cent was destined for China. If we can even it out and supply more iron ore to the rest of Asia through the Asian Infrastructure Investment Bank and its construction work in non-China Asia—

Ms Butler interjecting—

The SPEAKER: The member for Griffith is warned.

Mr HOCKEY: then that is going to help to build prosperity for West Australians and for all Australians. Because, after all, nearly 70 per cent of all of our exports to China come from Western Australia. China is our biggest trading partner.

What are we doing? We are signing up to the Asian Infrastructure Investment Bank but, importantly, we have a free-trade agreement with China. That free-trade agreement with
China delivers more jobs and better paying jobs not only to the people of Australia but in particular to the people of Western Australia during this transition in the economy. We are determined to continue to roll out the economic plan that delivers jobs. There were 32,000 more jobs delivered over the last two years for the people of Western Australia. We will continue with that economic plan.

Mr Hunt interjecting—

The SPEAKER: The Minister for the Environment will cease interjecting.

Mr Stephen Jones interjecting—

The SPEAKER: The member for Throsby will cease interjecting.

Dr Leigh interjecting—

The SPEAKER: The member for Fraser will not interject before he has even got to the dispatch box.

**Taxation**

Dr LEIGH (Fraser) (14:40): My question is to the Treasurer. Will the Treasurer's multinational tax bill introduced in the House today cover activities in known tax havens such as Bermuda, the Isle of Man and the Cayman Islands? Did the Treasurer consult with the new Prime Minister on the multinational tax bill before he introduced it?

Mr HOCKEY (North Sydney—The Treasurer) (14:40): The answer is I consulted with all my colleagues in the party room on Tuesday and they all supported our attempt to get the multinationals to pay their tax. Put up your hand if you support what we are doing on multinational tax. There you go. Is that enough? I tell you what, when it went through the cabinet it was supported by the Prime Minister and it has been supported—

Ms Butler interjecting—

The SPEAKER: The member for Griffith has been warned.

Mr HOCKEY: because we are the only parties that are cracking down on the multinationals not paying their tax. We are absolutely determined to do everything we can to lead the world—

Ms Rowland interjecting—

The SPEAKER: The member for Greenway is warned.

Mr HOCKEY: in making sure that companies that are earn profits in Australia pay tax in Australia. The Australian people deserve no less. As I have been saying for two years, as we said at the G20 and as we said even before that, it is patently unfair when a small-business person or a worker in Australia has to pay tax but a multinational that earns money here does not pay tax. And that is why in the budget I announced a new proposal, multinational anti-avoidance laws, to ensnare the companies that are running money right around the world, including to the tax havens identified by the shadow Assistant Treasurer. That is why we identified it. We consulted and introduced the legislation today.

Dr Chalmers interjecting—

The SPEAKER: The member for Rankin is warned.

Mr HOCKEY: Given he is such a self appointed expert in relation to multinational tax, I can inform the House that there has been a very interesting document just released under
freedom of information. It is a document that is an analysis of the Labor Party's proposal in relation to multinational tax. How did that get out? It identifies the negative impact of the Labor Party proposals in relation to multinational activity. So not only would the Labor Party proposal, which claims to raise $1.9 billion over the forward estimates, not work but the key thing is it would cost jobs.

*Ms Plibersek interjecting—*

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

**Mr HOCKEY:** This is Treasury advice. The Labor Party proposal in relation to multinationals would cost jobs and it would deter economic activity and it may well cause the multinationals to move overseas at a penalty to Australia. From our perspective, we want jobs and we want growth. We want the multinationals to pay their fair share of tax. We make no apologies whatsoever for introducing world-leading legislation and we will continue to pursue the case that people that earn profits in Australia must pay tax in Australia. *Time expired*

**Trade with China**

**Mr TAYLOR** (Hume) (14:43): My question is for the Minister for Education and Training representing the Minister for Employment. Will the minister update the House on the benefits to growth and jobs of the export agreement with China. What support has there been for expanding free trade and what are the obstacles to those benefits being realised?

**Mr PYNE** (Sturt—Leader of the House and Minister for Education and Training) (14:44): I thank the member for Hume for his question because he, like me, is a great enthusiast for the China-Australia Free Trade Agreement and for the jobs and the growth it will bring right across Australia—

*Ms Chesters interjecting—*

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

**Mr PYNE:** particularly to Western Australia, which at this time is facing an election very soon. We want to remind them of the huge benefits in international education, in opening up services and in agriculture from their particular part of the world that the China-Australia Free Trade Agreement will bring and that the Labor Party is trying to sabotage. Labor is actually trying to sabotage jobs and growth for Western Australians. On Saturday, when voters go to the polls, they need to remember that this side of the House is in favour of jobs and growth, that the China-Australia Free Trade Agreement will bring, while that side of the House is dancing to the tune, instead, of the CFMEU, the MUA and others, and trying to stop those jobs and that growth from flowing.

I am asked about the support that we have received for the China-Australia Free Trade Agreement. The wonderful work done in advocacy by the Minister for Trade and Investment has brought a lot of people out in support of the China-Australia Free Trade Agreement, especially because of the risk that Labor pose to it and to the economy; groups like the National Farmers' Federation, the Business Council of Australia, the Australian Chamber of Commerce and Industry, and small-business representative organisations across Australia.

I picked up a speech recently which I had started to read and I was terribly impressed by some of the things contained in the speech, lines like:

… trade benefits working people.
Trade is especially important for growth at the moment when the economy faces headwinds.

Refusing to enter into trade agreements will allow our competitors to gain market share at Australia’s expense.

Miners, manufacturing workers, food processing workers, truck drivers, wharfies, warehousing workers, shop assistants—their jobs all depend on exports and imports.

They sound like the people of south-western Perth in Canning. I thought that this was an excellent speech, that Andrew Robb has given another great speech. But, no, it was not Andrew Robb. That surprised me. I thought that maybe Julie Bishop had been out and about talking about the China-Australia Free Trade Agreement. It was not Julie Bishop. I thought that perhaps Treasurer Joe Hockey had delivered another speech to the National Press Club—and I agree with everything he said. But, no—

**Mr Husic:** Let’s get a drum roll.

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

**Mr Pyne:** No, it was not Andrew Robb, it was not Julie Bishop, it was not Joe Hockey. It was only on 13 June 2015, a few months ago, to the Fabians Forum, and it was Penny Wong, the Leader of the Labor Party in the Senate. Penny Wong said all of these things, all of these extremely positive things about trade and the China-Australia Free Trade Agreement. So who nobbled Penny? The CFMEU, whom she used to work for? The MUA? The AWU? Was it the Leader of the opposition? The Leader of the Opposition needs to get on board with the China-Australia Free Trade Agreement, with Penny Wong, with people like Bob Hawke, and start supporting jobs and workers first rather than himself. *(Time expired)*

**Turnbull Government**

**Mr Shorten** (Maribyrnong—Leader of the Opposition) *(14:47)*: My question is to the Prime Minister. On Monday, the Minister for Defence described the Prime Minister as 'someone whose focus seems to have been entirely on himself and in undermining the government’. But yesterday, the Minister for Defence was all over TV pleading for his job. So, Prime Minister, will the Minister for Defence still be the Minister for Defence this time next week?

**Mr Pyne:** Mr Speaker, I rise on a point of order. Quite clearly—

**Opposition members interjecting**—

**The SPEAKER:** The members on my left will cease interjecting. If the interjections do not stop, I am going to make an immediate ruling.

**Mr Pyne:** Mr Speaker, that question contains 'arguments, inferences, imputations'—it does not have any insults, that is true—therefore, it offends standing order 100 that relates to questions. It is impossible for the Prime Minister to answer it and it does not relate to his responsibilities. The premise of the question is disputed by the Minister for Defence, who said no such thing about the current Prime Minister and, therefore, I would ask you to rule it out of order.

*Mr Fitzgibbon interjecting*—
The SPEAKER: The member for Hunter will not interject. The Leader of the House is right with respect to the preamble, which was a long preamble, but the last part of the question, I believe, did go to the Prime Minister's responsibilities and I am going to allow that part.

Mr TURNBULL (Wentworth—Prime Minister) (14:49): Thank you, Mr Speaker, I am delighted to remind the Leader of the Opposition and honourable members that the new ministerial arrangements, which I have foreshadowed, will be announced in full by Monday of next week. I am not proposing to make any statement about them in the interim.

Mr Shorten: Mr Speaker, on a point of order: why is he keeping the Minister for Defence hanging by a string?

The SPEAKER: The Leader of the Opposition is taking the indulgence I extend to leaders too far.

Agriculture

Ms MARINO (Forrest—Government Whip) (14:49): My question is to the Minister for Agriculture. Will the minister update the House on the forecast value of Australia's gross farm production? How is this government's economic plan and our commitment to agriculture helping to boost the agriculture sector, particularly in my home state of Western Australia?

Mr Joyce interjecting

The SPEAKER: The member for Hunter is warned!

Mr JOYCE (New England—Minister for Agriculture) (14:50): I thank the honourable member for her question. I was only recently over in Western Australia with the honourable member. We went to the Elgin hall for breakfast and it was packed out with farmers, because farmers have a real excitement about where this government have gone and where it is going, the places it is taking them and the plan it has. It was also incredibly important to talk those farmers about their state, which exports 80 per cent of their product, and what we have in mind and how we are going to make sure a better return comes back through the farm gate for them. The state was well represented formerly by Don Randall in the seat of Canning. Don Randall was always in our office standing up for the people, such as the Hills Orchard Improvement Group, and making sure that they had a great future. I am sure they will have a great future again upon the election of Andrew Hastie, because we have to make sure that we are a government that support such fundamental improvements for agriculture as the China-Australia Free Trade Agreement.

The gross value of Australia's agricultural production is predicted to go up by eight per cent in the coming year to $57.1 billion. Over the last two years, it has gone up by more than 12 per cent. This just goes to show that areas are still there where you actually can employ people, where you can provide jobs and where you can provide a future. As a nation, we must be doing everything we can to stand behind the beef producers, the dairy producers and the horticultural producers of Forrest and of Canning. It is there for all to see in the free trade agreement as to what is actually available.

If you believe that the people of Canning who export beef to China should get a reduction in the tariffs they currently face—up to 25 per cent—you have to vote for the Liberal Party on the weekend. If you believe that the dairy industry should get the tariff of up to 10 per cent on whole milk powder reduced, you have to vote for the Liberal Party on the weekend. If you
believe that the tariffs of up to 30 per cent faced by exporters in our citrus industry should be removed, you have to vote for the Liberal Party on the weekend. If you want to stand behind a government that has a vision and a plan, that brought forward the white paper on agriculture, that is bringing forward water infrastructure, that has a vision for three free trade agreements, that has opened up seven new live animal export destinations, that is currently building dams, that has laid out a clear path to prosperity in regional areas—especially for Canning and especially for Forrest—there is only one solution on the weekend: you must vote for Andrew Hastie.

Opposition members interjecting—

The SPEAKER: The member for Moreton has been warned twice. He can leave under 94(a).

The member for Moreton then left the chamber.

International Development Assistance

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:53): My question is to the Prime Minister. Can the Prime Minister confirm how much money he will restore to the foreign aid program after the cabinet that he was part of cut the budget by $11.3 billion?

Mr TURNBULL (Wentworth—Prime Minister) (14:53): I thank the honourable member for her question. The answer—which again she knows is the one she will get—is that any decisions about the foreign aid budget will be made by the cabinet. No Prime Minister is in a position, or should be in a position, to make an off-the-cuff policy decision like that. We are talking about enormous sums of money here. Is this the type of government the Labor Party would run, that you would just have billions of dollars—

Government members: Yes!

Mr TURNBULL: Of course it is; it absolutely is—no cabinet process, no proper examination of competing needs. The honourable member has made $18 billion worth of foreign aid commitments, all completely unfunded. The reality is, as the honourable member knows, that if she wants a serious answer, she should ask a serious question. All she is interested in is making an allegation, making a political argument across the dispatch box. That is fine, but it is a complete waste of question time.

Ms Plibersek interjecting—

Mr TURNBULL: Now the honourable member is asking more questions by way of interjection. Ask a substantive question about foreign policy or about foreign aid, ask it of the foreign minister, and you can have an intelligent discussion. But instead we have, with the entire House of Representatives assembled, time being wasted by the honourable member.

Ms Plibersek: On a point of order, Mr Speaker: I would rather have an answer than the mansplaining I am getting.

The SPEAKER: The member for Sydney will resume her seat! Has the Prime Minister completed his answer?

Mr Turnbull: I have concluded my answer.
Trade with China

Mr SIMPKINS (Cowan) (14:55): My question is to the Minister for Social Services. Will the minister outline to the House the impact of the job-creating China-Australia Free Trade Agreement on expenditure on social services, particularly in my home state of Western Australia? Are there any potential impediments to these impacts being realised?

Honourable members interjecting—

The SPEAKER: I remind the member for Adelaide that she has been warned.

Mr MORRISON (Cook—Minister for Social Services) (14:55): I thank the member for Cowan for his question. He knows that eight out of 10 taxpayers go to work every day to pay for this country's social services bill. Of that, some $12 billion is paid in job seeker benefits. There are some 77,000 job seekers in Western Australia who receive those benefits, including some 4,300 in his own seat of Cowan and some 6,800 in the seat of Canning. The best way to reduce and get under control the social services budget is to ensure there are more people in work. As the Treasurer has rightly explained, there are some 300,000 more people who have jobs today than there were at the last election, over 30,000 of those in Western Australia. If you want to get the social services budget under control, you need to get people off welfare and you need to get them into jobs. And you know where those jobs are coming from? They are coming from innovative new free trade agreements—export agreements like the one negotiated by the Minister for Trade and Investment. To get your welfare budget under control, there is no substitute for getting people off welfare and into work.

I am asked what the potential impediments are to these impacts being felt in Western Australia, in the seat of Canning among other places. Those impediments sit opposite. Members will remember that this is 'the year of the idea'. The idea that the Leader of the Opposition has had is to oppose the most innovative free trade agreement with an Asian country that the world has seen. That is a festival of dangerous ideas.

The Leader of the Opposition is the person standing in the way of the prosperity and jobs that this free trade agreement will deliver, and he is doing so on the basis of Labor's opposition—alleged—to 457 visas. The shadow Treasurer had quite a record when he was in government. When he was the Minister for Immigration and Citizenship, he set several records, the most important being that around 25,000 people arrived illegally by boat on his watch. But there was another one! He also held the record for the highest number of 457 visas granted by any immigration minister. Since the last election, the number of 457 visas granted has fallen by 25 per cent. The number of 457 visas granted in Western Australia has fallen by 40 per cent. I know those opposite are worried about electricians coming in on 457 visas—they have fallen by more than 66 per cent under this government. They say they are worried about 457 visas, but in Western Australia the number of electricians coming in on 457 visas has fallen by 78 per cent. The record for foreign workers coming in on 457 visas is held by the shadow Treasurer, the former Minister for Immigration and Citizenship—the worst immigration minister we have ever seen. (Time expired)

Marriage

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:59): My question is to the Prime Minister. Just last month, when speaking about marriage equality, the Prime Minister said:
The reason I haven't advocated a plebiscite after the next election is that it would mean, it will mean, that this issue is a live issue all the way up to the next election …

Why did the Prime Minister tell the Australian people one thing only a month ago—but is now doing exactly the opposite?

*Ms Henderson* interjecting—

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

**Mr Turnbull** (Wentworth—Prime Minister) (14:59): The honourable member fails to understand that there was a debate within our party as to the manner in which—

*Ms Macklin* interjecting—

**The SPEAKER:** The member for Jagajaga is now warned.

**Mr Turnbull:** the decision on marriage equality should be taken: whether it should be a free vote in the parliament or whether it should be a plebiscite and at what time the plebiscite should be. All of those options had advantages and disadvantages and they all had merit—each of them completely and utterly democratic. They do not go to the principle—the substantive question. It is simply a matter of resolving it. Our parties, our government, have decided that it will be dealt with—

*Mr Griffin* interjecting—

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

**Mr Turnbull:** by a vote of all Australians after the next election. The opposition are free to criticise that. They are free to say there should be another technique, but we have made that decision. It is thoroughly democratic. Every Australian will get a vote. At the next election—

*Ms King* interjecting—

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

*Ms King* interjecting—

**The SPEAKER:** The member for Ballarat is warned.

**Mr Turnbull:** the Leader of the Opposition will be saying, 'Vote Labor so you, the Australian people, can't get a direct say yourselves on this issue.' Bill Shorten will say, 'Vote for me because you should not be able to express your own opinions.' I forbear from giving the Leader of the Opposition political advice.

*Ms Plibersek* interjecting—

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

**Mr Turnbull:** I know that politicians never look at polls, but the fact is that every single poll that has looked at this question of whether there should be a plebiscite or a free vote is overwhelmingly in favour of a plebiscite. If you go to people and say, 'Do you want to have a direct say in this yourself or do you want the politicians to make the decision for you?' they will invariably say, 'We want to have a say ourselves.' And why wouldn't they?

*Dr Chalmers* interjecting—

**The SPEAKER:** The member for Rankin is warned.
Mr TURNBULL: So why does the Leader of the Opposition keep on flogging this dead horse? The proposal he has, that he is taking to the election, is going to be inherently—

Ms King interjecting—

The SPEAKER: I remind the member for Ballarat that she is warned.

Mr TURNBULL: less popular with the Australian people. So we are very comfortable going to the election on the basis that, if you elect a Labor government, the parliament, the parliamentarians, will decide the matter on marriage equality; if you vote for the coalition, it will be every single Australian having a direct—

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

Honourable members interjecting—

The SPEAKER: The member for Chifley has been warned. Members on my right will cease interjecting. The member for Hasluck will resume his seat. Member for Watson, do you still require the call?

Mr Burke: Mr Speaker, on direct relevance: the party meeting that the Prime Minister is referring to was prior to the date of the quote that was given.

The SPEAKER: The Prime Minister has completed his answer.

Carbon Pricing

Mr WYATT (Hasluck) (15:03): My question is to the Minister for the Environment. Will the minister update the House on the savings delivered to households and businesses in Western Australia from the repeal of the carbon tax, and are there any threats to these savings?

Mr Marles interjecting—

The SPEAKER: The member for Corio will cease interjecting.

Mr HUNT (Flinders—Minister for the Environment) (15:03): I want to thank the member for Hasluck, who is a great local environmental champion and, of course, has produced the Green Map for Hasluck and is working with young people and the local Green Army. I have been with him and seen local Green Army projects and the jobs that are being provided. His approach was to ensure that we do practical things for the environment but that we get rid of an unnecessary tax which was not working, which was having an impact on the cost of living for families and which was driving up the price of electricity without in any significant way doing the job and reducing emissions. I thank him for that work both locally and in this parliament. And do you know what? He asks about the savings from the repeal of the carbon tax. The ACCC recently confirmed that the very analysis which Treasury did before the repeal of the carbon tax has been borne out by reality. That is what this debate is about. It is not about whether we reduce emissions but it is about how we do it and how we do it effectively. What we inherited from this mob on the other side—pink batts—

Ms O'Neil interjecting—

The SPEAKER: The member for Hotham is warned.

Mr HUNT: Is there one person on the other side who is proud of the pink batts program—one brave soul? Come on, Swanny—are you proud? What about 'cash for clunkers'? What
about green loans? Let me make it easy: is there one person on that side who wants to bring the carbon tax back?

Honourable members interjecting—

The SPEAKER: The level of interjections is far too high. The minister will confine himself to his answer and not to asking questions.

Mr HUNT: Not one brave soul amongst them is willing to stand up for their own carbon tax. Let me say this: we made real savings to households in Canning, throughout Perth and throughout rural Western Australia. The ACCC has confirmed that, on average, households received $550 in savings. When they come back—if they ever come back into this place—they will want to hit households with another $550 tax. We were also asked before about their renewables. Do you know what? The member for Hunter said, 'It is not a policy; it is an aspiration.' When asked how much it would cost, he said, 'No-one knows, and that is the truth of it.' It was not quite true, because the Department of the Environment—

Mr Albanese interjecting—

The SPEAKER: The member for Grayndler will cease interjecting.

Mr HUNT: estimated that it is an $85 billion cost. By contrast, this is about actually doing things. We are not doing pink batts or green loans or 'cash for clunkers'. We have reduced emissions by 47 million tonnes. We have done it without a carbon tax and we have done it in a way which reduces costs and which does not hit, in Canning, businesses such as Alcoa. We see the Willowdale and Huntly bauxite mines and the Alinta cogeneration plant. All up, Western Australians were hit for $2 billion under the carbon tax. It has gone under us. It is coming back—(Time expired)

Mr Mitchell interjecting—

The SPEAKER: The member for McEwen is warned.

Turnbull Government

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:06): My question is to the Prime Minister. In 2010, the current Prime Minister said:

I think people know what I stand for. You know they know that I have strong convictions, committed principles and I'm prepared to stand up for them.

Given that, just in the last 24 hours, the Prime Minister has sold out on climate change, marriage equality, renewable energy and the Murray-Darling, what other government policy is the Prime Minister willing to sell out to appease his personal ambition?

Mr Pyne interjecting—

The SPEAKER: The Leader of the House will cease interjecting.

Mr TURNBULL (Wentworth—Prime Minister) (15:07): Few people know more about selling out than the Leader of the Opposition, I must say. But again the Leader of the Opposition consistently confuses the means and processes with the objective. I support marriage equality. Many of my colleagues do not. Many of the Leader of the Opposition's colleagues do not. That is the substantive issue.

Ms Butler interjecting—

The SPEAKER: The member for Griffith has been warned twice.
Mr TURNBULL: The question of how to resolve the matter—whether it is a free vote or a plebiscite—is a question of process. Each approach has its advantages. One, I suppose, is faster and costs less.

Ms O’Neil interjecting—

The SPEAKER: The member for Hotham will leave under 94(a). She has been warned twice.

Mr TURNBULL: The other one gives every Australian a say, and it has a cost. Democracy has a price.

The SPEAKER: The member for Hotham will leave. No, not the member for Wakefield—the member for Hotham.

The member for Hotham then left the chamber.

Mr TURNBULL: Giving everybody a say on an important issue is surely a very legitimate and reasonable approach, and the Leader of the Opposition objects to that. He talks about climate change. The objective in climate policy is to cut your emissions. It is to cut your emissions.

Mr Thistlethwaite interjecting—

The SPEAKER: The member for Kingsford Smith is warned.

Mr TURNBULL: There are many methods of doing so: an emissions trading scheme, regulation, the Emissions Reduction Fund, a carbon tax and many, many others. Many other techniques can achieve the same end. And so the judgement for policymakers is what is the best model—what is the best approach—in the circumstances of the time. We have chosen as a government, thanks to the hard work of the environment minister, to use an Emissions Reduction Fund. He has demonstrated that it is cutting emissions at a very low cost, and this so upsets the opposition that they are now forgetting that climate policy is about cutting emissions and thinking that the goal is an emissions trading scheme. Of course I have supported an emissions trading scheme in the past. So did my party. So did John Howard. It is a technique. But we have changed our policy. The critical question is: what is our goal? Our goal is cutting emissions. We are doing that. We are doing that in the manner that we believe is least cost, and so far the work of the Minister for the Environment is demonstrating that that judgement is correct.

Illicit Drugs

Ms HENDERSON (Corangamite) (15:10): My question is to the Minister for Justice. Will the minister update the House on action the government is taking to combat the use of ice? How is this government working to keep members of my community safe?

Mr KEENAN (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (15:10): Can I thank the member for Corangamite for that question. I acknowledge that she is one of the many members on this side of the House who have raised the issue of ice with me in recent times and has taken a keen interest in what the government is going to do about this problem.

Between 2009 and 2013, the weight of methamphetamine that has been seized globally has increased from 32 tonnes to 88 tonnes, and the vast majority of those seizures have been within our region of South-East Asia. But the growth in the Australian market has far
outstripped the growth in the global market, and proportionately we know that Australia uses more methamphetamine than almost any other country in the world, and the number of users, sadly, continues to grow. At $50 per dose in some parts of Australia, it can be cheaper than a night out on the alcohol.

The growth in usage of ice is quite staggering. In 2007, 100,000 Australians reported using crystal methamphetamine, which is commonly known as ice. Six years later, this figure had doubled to 200,000. But these figures would still be outdated and would be very conservative, because evidence suggests we now have well over 200,000 ice users in Australia. This is evidenced by the seizures that we have made at our border, which between 2010 and 2014 have increased 60 times—60 times in the space of four years. It is remarkable that the more than four tonnes of amphetamine type stimulants that we have seized in the past year has not led to an increase in the street price for ice.

Recently I have had the opportunity to speak with Andrew Hastie and the people of Canning about the impact of ice in their local community, and Andrew is committed to doing all he can to tackle this issue and to address the mounting harm and havoc that is inflicted by this insidious drug. The people of Canning know that we need a holistic approach to fighting crime and to addressing the impacts of ice. We need to explain, if you are going to take this drug, what it is going to do to you, what it is going to do to your family and what it is going to do to your community.

We know that the most important response to this is a law enforcement response, but we need to use every other tool at our disposal to stop the epidemic of ice. Since coming to office, we have introduced new laws that strike at the heart of this lucrative and deadly trade by targeting the criminals who peddle ice on our streets, and we are seeing results from this. Last week a joint operation between the Western Australian police force and the Australian Crime Commission—

Mr Stephen Jones: Mr Speaker, I rise on a point of order. It is relevance. To be relevant, the minister must promise to fund the treatment services over the next four years.

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

The member for Throsby then left the chamber.

The SPEAKER: I have given fair warning to the House that I will deal with frivolous points of order. That was a complete abuse of the standing orders. Anyone attempting to replicate that will face the same discipline.

Mr KEENAN: Well, it is a shame the member has been thrown out, because I was about to explain to the House that in Western Australia last week we had the largest seizure ever of crystal methamphetamine: 320 kilograms, with a street value of over $320 million. The government will take action to do all we can to protect our communities from this scourge, and I would expect that the opposition, as opposed to the display we just saw, would join us in supporting that.

Mr Turnbull: Mr Speaker, I ask that further questions be placed on the Notice Paper.
Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (15:14): Documents are tabled in accordance with the list circulated to honourable members earlier today. Full details of the documents will be recorded in the Votes and Proceedings.

**MATTERS OF PUBLIC IMPORTANCE**

**Turnbull Government**

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

The Prime Minister's capitulation on climate change and environmental policy.

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

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

Mr BUTLER (Port Adelaide) (15:15): I think we have seen again, over the course of this question time, that bit by bit, over the last 36 hours, hour by hour, Australians have been coming to understand the price that the member for Wentworth was willing to pay to achieve his long-held personal ambition of becoming Prime Minister. Australians are beginning to understand the extent to which the member for Wentworth, now the Prime Minister, was willing to discard—to throw away—so many long-held and deeply-held beliefs, particularly about climate change and the environment.

Nowhere is that price more stark and nowhere has that price been higher than in relation to climate change and environmental protection policy. This was, after all, going back to 2009, the signature difference between the former Prime Minister, the member for Warringah, and the new Prime Minister, the member for Wentworth. Many Australians, I know, and members on this side know, held out very high hopes that the member for Wentworth's return to the leadership of the Liberal Party would mean that the conservative parties of Australia would return to the sensible centre on climate change—that there would be the hope of Australia again regaining a bipartisan consensus that would allow us to move forward in the way that so many of our sister nations around the world are doing.

As Australians watch what the Prime Minister has been saying over the last 36 hours—going back to his press conference on Monday night—those hearts are breaking. All those Australians who thought that the return of the member for Wentworth to the leadership of the Liberal Party would actually mean something—that it would actually hold out the hope of a progressive, strong and sensible policy on climate change for Australia—have had their hearts broken, because this Prime Minister has taken the Direct Action policy, Tony Abbott's signature policy, hook, line and sinker. Apparently, he has not just taken it for the time being; he has taken it, affirmatively, for as long as he will ever be the Prime Minister.

I want to make it clear, from this side of the House: those Australians were entirely entitled to hold out those hopes. They were entirely entitled to think that a change of leadership from the member for Warringah to the member for Wentworth would mean something and would lead to some change in the governing parties' attitude to climate change policy. The old
Malcolm had been so crystal clear about his belief that the Direct Action policy, in his words, ‘was an environmental fig leaf to cover a determination to do nothing’. We heard him again, in question time, move away from his strong advocacy for an emissions trading scheme as the cheapest, most effective and most efficient means of reducing carbon pollution. We have heard him say, so many times over the past years, particularly in that critical period of debate in 2009 and 2010, that a policy like the emissions reduction fund—in this very chamber we heard the member for Wentworth say it—would be ‘a recipe for fiscal recklessness on a grand scale’.

Well, apparently it is all different now. You do not know whether to ask for lecture notes to be handed out or to take notes yourself, sometimes, when the new Prime Minister answers questions in question time, but apparently it has all changed. This is, according to his words in the press conference on Monday night, apparently now a ‘very, very good piece of work’. Yesterday, the new Prime Minister said that this was a policy that was reducing emissions now. This was a policy, particularly the emissions reduction fund, that had had a first auction that was enormously successful.

Mr Hunt interjecting—

Mr BUTLER: You will get your 10 minutes, Minister for the Environment. I advise the new Prime Minister to just catch up on some of the analysis that has been done on both of those counts. Let us talk about the first option of the emissions reduction fund. Forty-seven million tonnes were purchased under this first auction; a quarter of the money—$650 million-odd of taxpayers’ money—handed out to companies and organisations that had bid under this. What the Prime Minister has not said is that, of those 47 million tonnes, three-quarters of them, 34 million tonnes, were from projects that already existed, and in some cases had existed for more than 10 years, including big companies like AGL—the largest polluter in Australia. This is taxpayers paying for things that those companies were already doing. This was apparently a ‘stunning success’ according to the Minister for the Environment and the new Prime Minister. Apparently that was all supposed to be supplemented by the safeguards policy—the great safeguards mechanism that will control emissions elsewhere in the economy, and, particularly, control emission rises from the big polluters, and see those emissions, hopefully, reduce over time.

We saw the design of the safeguards mechanism released only this month, and it exceeded everyone's worst expectations. In question time, I tried to put to the Prime Minister, but he ducked the question, the fact that RepuTex, the leading modelling agency in this area, has provided very clear advice that, under this safeguards policy, the biggest 20 polluters in Australia will not be touched whatsoever. The biggest 150 polluters in this country will increase their emissions under the Direct Action policy—which is a ‘stunning success’, apparently—by 20 per cent over the next 15 years. The Grattan Institute, everyone would accept, is a central, middle of the road organisation—not a lefty organisation by any means. Tony Wood from the Grattan Institute said in response to the release of the safeguards policy: 'It is called a safeguard, but it is not an environmental safeguard. Greg Hunt is not actually constraining emissions; if it is going to work it is going to have to have teeth, but all we have got is gums.'

So, particularly in combination with Tony Abbott’s reckless attack on renewable energy, it is not surprising that we are seeing emissions starting to rise again. It is clear that the Direct
Action policy will not achieve meaningful reductions in carbon pollution levels. It simply will not: 2020 levels on carbon pollution will be substantially higher than they are today, and substantially higher than they were in 2000 or in 2005. Whatever tricky baseline the Minister for the Environment wants to choose, they will be higher.

The government’s own projections, the only projections or modelling it has been able to release, suggest that in 2020 carbon pollution levels in Australia will be 655 million tonnes against 559 million tonnes in 2000—so not five per cent below 2000 levels, 17 per cent above 2000 levels. RepuTex was more generous to the government than the government’s own modelling. RepuTex said only last month that in 2020 carbon emissions will be 613 million tonnes against 559 million tonnes—so 10 per cent above 2000 levels. Not five per cent below, 10 per cent above under this new Prime Minister’s policy of Direct Action. You ask why? Land clearing is increasing again, thanks to Campbell Newman’s reversal of Peter Beattie’s land clearing laws. Electricity sector emissions are up because of the attack on renewable energy. Fugitive emissions up, and they will not be capped at all because there is no discipline in the safeguard mechanism. That is why you need an emissions trading scheme. That is why you need a hard cap on carbon pollution that reduces over time and then lets business work out the cheapest and the most effective way to operate. The member for Wentworth, now the Prime Minister, understood that all those years ago.

You also need strong support for renewable energy, and it is very clear now that you will only get that strong support from a Shorten Labor government because this new Prime Minister dismissed out of hand a 50 per cent goal for renewable energy in this country by 2030—dismissed it out of hand, called it reckless, spat in the eye of all of those Australians who want bold ambition in this area around renewable energy. In his first 48 hours, he completely dismissed any ambition on renewable energy for the 2020s. Millions of Australians are now asking themselves, more in sorrow than in anger frankly, I suspect: how did it come to this? How is the member for Wentworth, who apparently had such deep beliefs around climate change and environmental policy, now a convert to a policy he rightly condemned all those years ago, and which experience has shown deserved that condemnation and that experience has shown will not achieve any meaningful reductions in carbon? The answer, unfortunately, is the answer that is so often the case in these circumstances: base personal ambition. Apparently, Australians are coming to understand that there was nothing that the member for Wentworth was not willing to trade off, not willing to sell out to achieve his long-held ambition to become Prime Minister. We probably still do not know it all. We know it is climate change policy, water policy, renewable energy policy, same-sex marriage policy. If he will sell out on this, how can Australians possibly trust this Prime Minister on anything?

Mr HUNT (Flinders—Minister for the Environment) (15:25): I am delighted to take head-on the party that produced pink batts, green loans, cash for clunkers, a citizens assembly and a carbon tax that not one member opposite would support today. We gave them the chance in the House of Representatives, the Parliament of Australia, to support their own carbon tax, and not one member had the gumption, the courage or the honesty to admit that it is something they support. If it was such a fabulous success, isn’t there just one brave soul, one little soldier willing to put up their hand? If it was such a success, why isn’t there one of you?
What do we know? We know that it came at a cost of $15.4 billion and that in a best-case scenario, for $15.4 billion, they might have seen 12 million tonnes reduce at an average cost of $1,300 per tonne of abatement. So what does this mean? It means that Australians were paying higher electricity prices, with electricity up by 10 per cent, and higher gas prices. When we repealed the carbon tax, we took away two years of a $15.4 billion tax hit. Do you know what it came with? They like to talk about payments. It came with a $5½ billion gift to brown coal generators. Is there one of you opposite who will say that you think that is a good idea, giving $5½ billion to the very people that you demonised?

When we came in, we abolished that gift and we abolished the tax and we reduced emissions through the Emissions Reduction Fund and we reduced the cost of electricity and we reduced the cost of gas and the cost of refrigerants. That is the reality of this debate. We are doing it with an approach of a reverse auction, which has its antecedents in the reverse auctions that we see in Brazil and in South Africa and the ACT. The World Bank have recently, shock horror, adopted a pilot auction facility almost identical to our Emissions Reduction Fund. Of all the systems in the world that they could have adopted, the World Bank have adopted a reverse auction mechanism for payment on delivery of emissions reduction to those who would put up projects under the clean development mechanism. In reality, they have adopted an emissions reduction fund of $100 million, paid for by the United States, Germany, Sweden and Switzerland using a mechanism almost identical to the one here, that is operating and working at reducing emissions in Australia.

So what happens if the ALP gets its way? What does it mean for the Australian people? I know I am not allowed to lift above the table this headline, but it is entitled 'The report Shorten did not want you to see: ALP $600 billion carbon bill'.

**Mr Whiteley:** How much?

**Mr Hunt:** $600 billion! Power bills up 78 per cent, thousands of jobs lost, economic growth shattered—that is their policy in a nutshell, using their own modelling from their own Treasury at the very time they were in government. This was not our modelling; this was their modelling of their policy of their time in government. So if they come back, electricity prices go up, gas prices go up, they fail to reduce emissions in any significant way and what they do do comes at an enormous cost. It is symbolism over real emissions reduction. It is phoney environmentalism. It is faux environmentalism.

It is about an approach which does not work, which increases electricity prices and which fits within the grand tradition of pink batts, green loans, a citizens assembly, cash for clunkers and a carbon tax that not one member opposite would support today. The great policy that they seem to champion does not have a single supporter, someone with the gumption to put their hand up. But we know that is what their plan is, because the shadow cabinet proposal was leaked.

What is their other policy? Their other policy is a 50 per cent renewable energy target. What was it that the member for Hunter said though when interviewed only recently on 26 July? He said, 'It's not a policy; it's an aspiration.' Today it was a policy, apparently. If it is a policy, let's see their costings. When asked how much it would cost, what did the member for Hunter say? 'No-one knows—that's the truth of it.' The member for Hunter can be a truth teller from time to time. He was truthful that no-one in the ALP knew. They had not done the work. They had made a statement. He thinks this is an aspiration. Do you know what? The
environment department did calculate what that would cost, because we were interested if we were going to introduce such a policy. What was their figure? $85 billion—that is the cost of the policy.

Mr Butler interjecting—

Mr Hunt: Of course it is going to cost that. That is not in dispute. It is well within the bounds of the modelling that was also put out by Deloittes. We find that they had a carbon tax that no-one will support. They had a pink bats program of which they are rightly utterly ashamed. They had a green loans program, which was a catastrophe, and cash for clunkers and a citizens assembly that could not get off the ground, and they want to give us environmental advice. These people were not just phoney or faux environmentalists; they were environmental wreckers and a disaster.

When we came into office, we inherited the Great Barrier Reef on the World Heritage watch list and on track to be declared endangered. Do you know what the World Heritage Committee did? They took it away from the risk of endangerment. They took it off the watch list. They returned it to the full highest level, and the chair of the World Heritage Committee said in front of the world that, because of our response, Australia was a global role model. That is what this government has done: the Reef, we have reduced emissions—

Mr Butler: Thanks to Annastacia.

Mr Hunt: They have not even passed their legislation yet after all of this time. We have declared that dredge disposal in the Great Barrier Reef Marine Park has gone forever and we have put it in law. They are the things that we are doing.

Let me also turn to the Emissions Reduction Fund, because we have seen the reality that emissions are being reduced with a system that is being increasingly adopted around the world and by no less than the World Bank. It might be a little bit embarrassing for you to look at the World Bank’s pilot auction facility—a system almost identical to the one we have adopted here in Australia. You know what? We have seen 47 million tonnes of emissions reduction at a cost of $13.95 per tonne, 144 projects right across Australia—real emissions reduction as verified by the Clean Energy Regulator, using the same methods and the same basis under the Carbon Farming Initiative which the ALP legislated. We used their model and their system, and the parliamentary secretary for the ALP demanded during the debate that we fund these very same projects through the CFI using the $2.55 billion Emissions Reduction Fund. It was your parliamentary secretary who demanded these projects be funded—it is there on the record.

Let me just deal with one other thing here, because I think it is important: the Prime Minister was asked about the comments of a particular firm, RepuTex, today. I would note this and I suspect they are right: they predicted that the Emissions Reduction Fund would achieve up to nine million tonnes of reductions in its first auction. In fact, we achieved more than 500 per cent of that outcome with 47 million tonnes—up to nine million tonnes or more than 500 per cent was the reality of 47 million tonnes. A year ago they said we would have a gap to fill of 300 million tonnes on top of the Emissions Reduction Fund between now and 2020. In an article on 12 June, they said Australia was now miraculously a year later highly likely to achieve our 2020 targets. On that occasion they were right: within a year they discovered that a 300 million tonne gap has evaporated.
We are going to achieve our targets. We are doing it on track. Their predictions were out by a factor of 500 per cent, and that is who you want to rely on? You guys are geniuses. You guys are absolute Einsteins. Honestly: pink batts and green loans—who is proud of them? Who is proud of the carbon tax? Because I can tell you: we are proud of having repealed it. We are proud of the Emissions Reduction Fund. The Prime Minister is proud of the fact that we are on track to achieve our targets in Australia, have ambitious international targets and reduce emissions in this country in a way which does not increase electricity prices for Australian families.

Mr BURKE (Watson—Manager of Opposition Business) (15:35): If you wanted to wreck the Murray-Darling Basin Plan, the first thing you would do is shift the portfolio from Environment to Agriculture. It might surprise the Minister for the Environment that, if he is going to be the Minister for the Environment, I would rather it was within his portfolio—I really would. Let's make sense—

Mr Hunt: We got the Murray-Darling Basin Plan signed.

Mr BURKE: I signed it myself. This is bizarre: he says they got the Murray-Darling Basin Plan signed when it was my signature on it. I reckon, if they are going to interject, they should come up with cleverer ones than that.

Let me explain a few things to the Minister for the Environment because, up until yesterday, there was bipartisanship on Murray-Darling matters. Up until yesterday, there had been cooperative work between government and opposition across a number of changes of government. But if you wanted to destroy that bipartisanship and the Murray-Darling Basin Plan, step 1 would be to remove it from the Department of the Environment. Step 1 would be to remove it from the environment portfolio and shift it across to the agricultural portfolio for one simple reason. Ask the question: what is the problem you are trying to fix? The essential problem in the Murray-Darling Basin is that the river was dying. The essential problem in the Murray-Darling basin is an environmental problem. Dealing with and fixing that needed to be done in a way which optimised the social, economic and environmental outcomes. It had to take account of the agricultural interests, but the essential problem being dealt with by definition was an environmental problem, and the person who understood that to begin with was actually John Howard.

It was John Howard who transferred the powers for the Murray-Darling to the environment portfolio, and guess which minister he gave them to—none other than the person who is now Prime Minister of Australia. He was the first one to receive the water powers and he was also the first one who to get the job he got yesterday was willing to give that legacy away.

The Nats at least were clever with this: they only demanded he give up every issue that he ever held as a conviction. They only argued that in the agreement that he signed he sign away everything that he had ever said had mattered. If he had not said it mattered before then they did not ask for that to go in the agreement. They only asked for the issues that would destroy the character and reputation of the Prime Minister to be part of the deal.

And they did not miss. They went through each issue that the member for Wentworth had previously said really mattered and would define him and said, 'Okay, for you to be Prime Minister, you only have to give up the things you believe in,' and what did he say? 'Where do I sign an agreement like that?' That is what happened yesterday.
When we raised this in the House, it was clear that members of the cabinet were entirely unaware that this agreement had been made. The Leader of the House himself stood up and took a point of order, saying, 'Oh, this is all hypothetical,' not knowing that the first captain's pick had already been made, not knowing that the new Prime Minister had already, without even telling the Leader of the House, made a fundamental change which gave up every issue of conviction that he had stood for and handed it over in a deal forced on him.

I have to say that, if anyone has to give away everything they believe in, you wouldn't think it'd happen in a negotiation with Warren Truss! You wouldn't really think that would be the moment. And yet we discovered, as we thought question time was being delayed for half an hour yesterday because the swearing-in was still going on, it was actually being delayed because the new Prime Minister needed to give up everything he believed in.

Murray-Darling reform will see the beginning of its end. Look at the resolutions that were carried at the last National Party conference at the weekend. What did they call for? They called for the water portfolio to be transferred from the environment ministry to the agriculture ministry—New South Wales resolution carried. And then the Farrer branch called for the Water Act to enable Commonwealth water holders to sell back the water to producers. When the Prime Minister was asked today if he would rule that out, he refused to answer.

Make no mistake: if the water entitlements that are now held by the Commonwealth Environmental Water Holder are sold back, Murray-Darling reform is at an end.

Ms HENDERSON (Corangamite) (15:41): What a disappointing contribution from the member for Watson. What we have seen in the Nationals agreement with the Prime Minister is a party, along with our party, the Liberal Party, determined to stand up for regional Australia, something the Labor Party have never done. I support this deal and think it is fantastic for regional Australia. What a shame that the member for Watson was not able to take the same approach to regional and rural Australia when he was in government.

Just look at our mobile base station program as an example. When Labor was in government, there was not one dollar on mobile phone black spots—an absolute disgrace. We are proud to stand up for regional Australia. We are proud to stand up for regional communities, whether it is for the NBN, more money for roads or our fantastic mobile phone black spots program. And look at what members opposite are doing on the China-Australia Free Trade Agreement. The attempts to rip that down just show how little members opposite care about farmers and regional Australia. It is an absolute disgrace. If this legislation is not quickly brought through the parliament and passed, it will cost agriculture and farmers $300 million straight away because they will miss out on two tariff cuts. Frankly, the record of those opposite in standing up for rural and regional Australia is an absolute disgrace, and I say 'hear, hear!' to more money, more investment and a greater commitment to rural and regional Australia.

And speaking of a disappointing record—I come from the proud city of Geelong. I represent the federal electorate of Corangamite very proudly.

Mr Conroy: At the moment—for another year maybe!

Ms HENDERSON: Look at the arrogance of the member opposite. Let me tell you: I can say right now that, if there is one policy that lost the faith of the people in the government under Labor, it was the carbon tax. The carbon tax was an absolute disgrace. The people of
Geelong knew it, the people of Corangamite knew it and the people of Australia knew it. It cost each household, on average, $550. It cost manufacturing $1.1 billion, and members opposite did not even have the foresight to compensate small businesses, who paid the price of a reckless policy which did nothing to drive down emissions.

We have a very proud record on the environment. More than $2 billion over the next four years is being invested in managing Australia's natural resources, including our 20 million trees program and our National Landcare programs. We have achieved the lowest emissions in 10 years without the painful, job-destroying carbon tax that members opposite want to bring back if they win government. Let me reiterate: Australia's emissions have fallen to their lowest level for a single quarter in 10 years according to the Department of the Environment's latest quarterly update of the national greenhouse gas inventory. Emissions fell by half a million tonnes between the December quarter 2014 and the March quarter 2015. That is a 0.4 per cent reduction in trend terms and 0.5 per cent on a seasonally adjusted basis. Our emissions per person are now at their lowest level in 25 years, so I say to members opposite: do not get caught up in ideology. Look at what we are achieving.

Opposition members interjecting—

Ms HENDERSON: There is laughter from members opposite. The fact is that our policies are working. The renewable energy target, an initiative of the Howard government, has helped 2.4 million homes with solar installations—delivering, on average, a $3,000 subsidy to every home. That has been an incredibly important program as part of our commitment to renewable energy. Now we hear the aspirations of those opposite: 50 per cent renewable energy by 2030. What an absolute joke—they have no idea what this is going to cost. They just pluck a figure out of the air and they make it up as they go along. That is what the Labor Party does.

It is a disgrace. Even the unions know it. They are already calling for an agency to be set up to compensate workers—the thousands of people who will lose their jobs because of this reckless policy. Those opposite are all talk and no action when it comes to the environment, and their record proves it.

Ms OWENS (Parramatta) (15:46): For the last two years this country has been, at best, on pause and, in many cases, on rewind. The community has well and truly noticed it, particularly in areas like climate change, renewables—we have seen an 80 per cent reduction in investment in renewables—and the vision of where Australia will be as a modern economy in future decades.

For some time we have desperately needed a prime minister in this place who was there for the right reason; who was there because they had a vision for the future and the only way they could achieve it was by being the prime minister. In the previous Prime Minister we had the opposite. But there are many people out there who believed that when Malcolm Turnbull ascended to the prime ministership he would be that person, because he had said so. He had said over many years that he was a man of vision and principle, and they would have assumed that he had sought this top job because of the things he wanted to achieve. I would hope that everybody in this House holds their position for what they can achieve, and I would expect that most are disappointed in the performance of the Prime Minister in the last couple of days, because this is a man who is absolutely the opposite. This is a man whose end game—whose
end goal—is to be the Prime Minister. All of the policies and the vision, all of the things that he will do as a prime minister, are all about getting that job and holding it.

This is a man who turns out to be the opposite of what this country needs. When you consider his performance in the last two days on climate change alone, it becomes absolutely as clear as anything that this is a man who will sell out anything to get this job. People believed him because he said it. Let's look at what this current Prime Minister said on his way to the Lodge: 'Liberal frontbencher Malcolm Turnbull, who lost the leadership over his support for Labor's emissions trading scheme, has described the coalition's climate change policy as "farce" …' and an unparliamentary term which I will not repeat in this House. That was on 10 May 2013. In 2011: 'Frontbencher Malcolm Turnbull compared climate change sceptics with people who refuse to admit smoking causes lung cancer.' Today he has joined them. On 22 July 2011 he said:

We have to get real about supporting and responsibly accepting the science. And if we want to challenge the science, we do so on the basis of peer reviewed work …

And today he has joined the sceptics.

On 21 July 2011 he said:

… the globe is warming and human greenhouse gas emissions are substantially the cause of it.

Yet today he got up in this House and supported a policy that has seen greenhouse emissions rise. They were falling under Labor government policy; they are rising now. And today he stood up in this House and said that that was fine. Today this man of supposed vision, this man who supposedly sought the top job because he wanted to do the right thing by the country, sold out completely. He sold out completely in order to get the top job. This is a man for whom being Prime Minister is the only point. This is a Prime Minister who you cannot trust to lead this country. This is a Prime Minister whose self-ambition is everything.

Leaders lead not just in terms of what they do, but in terms of character. When Tony Abbott became Leader of the Opposition we saw a dark cloud descend over the behaviour in this country—we saw the brawlers come out. Who are we going to see come out under this Prime Minister? Who are we going to see reflected by this Prime Minister, and think, 'Oh yes, we're back.' I will tell you who it is going to be: it is going to be the self-interested rent-seekers who come out behind this man in spades, because this is who this man is. This is a man who will trade any principle for his own gain. This is a man who has traded principles that he has espoused, in this House and outside it, for years as key beliefs, and he gave them all up in the last couple of days because he wanted the trappings of high office. He has high office for the trappings, not for the achievements. This is not the kind of prime minister we need at the moment. We have real challenges, but the challenges are in the nation, not in the Liberal-National Party caucus. We need a Prime Minister who can lift his gaze to the nation and stop pandering to in-house in-fighting in order to hold his position.

Mr WHITELEY (Braddon) (15:51): Thank you for this wonderful opportunity. In life, timing is everything. I understand the member for Parramatta holds her seat by 300 votes. Is she sounding just a little panicky today? I think she is feeling a little panicky today, and I reckon she has every reason to.

Let's get back to the matter at hand. This MPI gives me the opportunity to talk about my beloved Blues, the Carlton Football Club, who ended up on the bottom of the ladder. Do you
know why? Because they turned up at the ground just about every week with nothing. I love them to bits, but they turned up with nothing—just like the Labor Party, who are turning up with nothing. Question time—nothing. They have got nothing to bring to the ground. They turn up with these MPIs and they use them as an excuse for a character assassination. They have got nothing. They are bringing nothing to the debate. They have been exposed for two years, and they have the spotlight well and truly on them now, and the heat is on. So I welcome the contribution of the previous speaker, and I would say she had better spent her time and energy focusing on her seat, just like I am.

Our emissions per person—this is a really important point to make here—now are at the lowest level in 25 years in this great country in which we live. Since 1990, Australia’s population has grown by 39 per cent, yet emissions per capita have fallen by 29 per cent. The government’s post-2020 target, announced recently, will see emissions per person fall by at least 50 per cent on 2005 levels by 2030. How old will I be then? Too old! That is the largest reduction in the developed world.

Around the world they are looking on, in the midst of all the mocking from the other side, and they are actually saying: ‘You know what? These Aussies cop a bit from their political opponents, but they actually get some of these things right.’ The World Bank are reporting, 'Hey, we ought to take a look at what's going on down there in Aussie land because they're getting it right,' just like the rest of the world right now are wishing they had not mocked the border protection measures keeping that under control. We are now the pin-up people of the world when it comes to that.

So you can rush in and be cynical, but at the end of the day, as the Prime Minister said in question time, we are about getting results. It is not about ideology; it is about getting the results. If you want to reduce emissions, you get it the best way you can, the cheapest way you can. And that is what we are doing. What did you guys do? You brought in the big carbon tax. What did it do? It was a massive, $15.4 billion hit on the economy, and it worked out at a lazy $1,300 per tonne of abatement. What did we do? We brought in the Emissions Reduction Fund, a $2.55 million fund, and we got about our business. We have reduced emissions—have a guess how much. It is 93 times less than 1,300 bucks per tonne of abatement: only $13.95. We could chuck in a set of steak knives for that.

Really, you guys have got no idea. You go out after everything, like the member for Sydney today in question time. She always has a better plan for everything and wants to throw $18 billion at foreign aid because she wants to look like some superwoman in the global economy, but she has not put it on the hit list yet as a promise. She just wants to make political points on it.

We are getting about the job. Australia are playing our part in reducing global emissions. Let us not get ahead of ourselves. It is not our job to save the world. We are 23 million people. We are doing our bit. We are reducing global emissions as per the requirement that the people of Australia would have us do, but they want us to do it in a way that is affordable. They do not want the Leader of the Opposition to become the Prime Minister and introduce this great new turbocharged carbon tax that will just pillage away at the pockets of everyday Australians, just like the opposition did with every other tax they had. That is not what the people of Australia want. They want Australian leaders, the government of Australia, to do its bit, to lead our country to reduce emissions, but not at any cost. You will have it at any cost.
just because you are ideological. You want to make a political point. Well, knock yourselves out. But I suggest that, the next time you turn up in this place, whether it is at question time or it is an MPI, you pack your sports bag and you at least bring something to the ground.

**Mrs ELLIOT** (Richmond) (15:56): Within one day of his being elected leader of the Liberal Party and being sworn in as Prime Minister, we have seen some major sell-outs by this new leader. What this shows is that changing the leader changes nothing about this government's policies on climate change or the environment, but it goes right to the heart of this new leader and the fact that he will sell out, any chance he gets, any opportunity he gets.

Yesterday, the Prime Minister promised 'traditional cabinet government' that included making decisions in a 'thoughtful and considered manner'. Yet, within hours of being sworn in, the new Prime Minister had already bypassed his own cabinet, and he was making desperate deals—with who? With the National Party, the Nationals, who are in fact the greatest environmental vandals we have ever seen. Handing the Nationals the water portfolio and refusing to take real action on climate change are some of the dirty deals the Prime Minister has done to get his job. It is a very serious blow to the Prime Minister's credibility on the environment, and it shows that in fact he is just a hypocrite—a hypocrite who would do any deal to become Prime Minister. The fact is that he just cannot be trusted, and Australians know that he cannot be trusted. They know that is a fact.

We have a situation now where the Nationals, the greatest environmental vandals, have the greatest say about climate change policy and environmental policy. We also know that the Prime Minister has promised the right-wing extremists in his own party and the National Party that he will not change the former Prime Minister's policy on climate change. We know that.

The now Prime Minister once called Direct Action a 'farce' and a 'recipe for fiscal recklessness on a grand scale', but, yesterday, what did he do? He pledged to support it. He sold out on climate change action to become Prime Minister, and now he is paying big polluters to pollute. It is truly shameful. When asked about Direct Action in question time, the Prime Minister reiterated his support, saying, 'The policy we have in place is very clearly costed and calibrated, and it is effecting reductions in emissions now and at a very low cost.' Well, according to RepuTex, under Direct Action, Australia's biggest polluters will increase their pollution levels by 20 per cent over the next 15 years. That is the fact. Having previously acknowledged how hopeless Direct Action is, the Prime Minister now is clearly pushing it. What a change. What a hypocrite.

Also, today in question time we had the Leader of the Opposition asking the Prime Minister about renewable energy and asking him to support our policy of 50 per cent renewable energy by 2030. What was his response to that? It was a 'reckless proposal'. He just disregarded it. Well, he has sold out again. First of all he sells out on climate change, then he sells out on renewable energy. I further note, in looking at some of the motions at the Nationals federal conference on the weekend, that there was one in relation to renewables. I note that, at their federal conference on the weekend, the National Party actually—

**Mr Conroy interjecting**—

**Mrs ELLIOT**: Yes, most of them are here today. They actually voted down a motion to support renewables and projects in regional centres. The National Party voted down a motion
to support renewables and projects in regional centres! It sounds a bit like what the Prime Minister was saying today, echoing what the National Party were saying, voting down and disregarding any action on renewables.

As I have mentioned many times before in this House, we have Liberal and National parties who, at every level, whether it is federal or state, are absolute and complete environmental vandals. Nothing has changed about that. I would like to remind the House that, when the now Prime Minister was the Minister for the Environment and Water Resources in 2007, he had a plan to build a massive dam at Tyalgum, a lovely small village in my electorate of Richmond, on the New South Wales North Coast. This would have destroyed the village and surrounds, and it would have been an environmental disaster.

I remind the House that in 2007 I put questions to the minister calling on him to rule out the proposal for this huge dam and he responded by saying, 'All options should be on the table in order to find the most cost-effective means to supply this water.' He ignored the concerns of our community, and the community were outraged at the environment minister and they have never forgotten this betrayal. It was only the election of a Labor government that stopped these cruel, harsh plans, but locals remember what happened, they blame the now Prime Minister for that and they also blame the National Party for wanting to build that huge dam.

If our new Prime Minister is willing to sacrifice on climate policy, what else has he sacrificed; what other price has he paid; who else has he sold out? Clearly he has also sold out on marriage equality. He has refused to have a free vote in this House. That is another disgraceful act by this Prime Minister, a disgraceful act of betrayal by not allowing a free vote in this House on marriage equality. It just shows one thing: it is the same old Liberal-National party, the same old policies. The same old environmental vandals are here. What we have now is, yes, a new Prime Minister but a Prime Minister who has sold out. What else has he sold out on? The fact is he cannot be trusted, and Australians know that.

Mr BROUGH (Fisher) (16:01): The last two hours have been a real insight into the future of Australian politics. We have glimpsed the future and we have just watched the past. We saw during question time that the Prime Minister did not engage in mud-slinging and having a go at individuals. Here for once was a Prime Minister at the dispatch box who, when given questions that were designed to do no more than political point scoring, actually explained politics and explained his own position. The honourable member opposite talked about gay marriage—and I know that had a lot to do with the environment and today's MPI! Well done for working it in. But the Prime Minister stood up and said, 'Yes, I have a position that's not the same as everyone on my side of politics, God forbid, and we have a way forward which we all agree on.' We saw the beginning of a new fresh approach which is not adversarial, which is not about aggression but is actually about explaining things to people.

Yes, you in the Labor party, in your partnership with the Greens, have a policy. What we have, though, with carbon emissions policy is a situation where we can actually look at two policies that have been put in place, we can compare their track records, we can contrast them and we can say what has worked and what the impacts have been. It is unlike when you go to an election, where people put up ideas and concepts and we all take them on faith and hope something will happen. With the Labor Party and their carbon tax fact, what do we know? Fact: it cost $24.15 per tonne to actually stop or reduce the carbon emissions. I ask the
member opposite, when he gets up, to refute that. We know that, under the coalition's policy, which is different to yours, it cost, for exactly the same tonne of emissions, $13.95. The Labor Party is acting as if we are better off spending $24.15 buying a product which we could pay $13.95 for. I wonder why we owe so much money. I wonder why it is that we are bleeding to the tune of $93 million a day—because that is the economic rational view of the Labor Party. They get wedded to ideology and therefore they say, 'Our way or the highway,' when the reality is, as the Prime Minister pointed out at question time, that there is more than one way to deal with an issue.

We have chosen a particular path, and the proof is in the pudding. We can go back to the Labor Party and ask, 'What other effects did their policy have?' Yes, it increased the price of electricity for households and it made businesses less competitive, but it also drove a lot of our high-emitting industries offshore. It took the jobs, it took the economy and it took the tax offshore. It also took the pollution offshore to less regulated markets, which meant that that pollution still entered the one atmosphere that we have as a globe. It did not just disappear into a black hole. It is actually in our atmosphere, so the environment was not benefited, the economy was not benefited and jobs were not benefited. Why does the Labor Party persist with something that has proven to have already failed?

The broader aspect of this discussion today also turns on the issue of environmental policy and the so-called capitulation of the Prime Minister on environmental policy. He has done really well in 36 hours to capitulate on a policy. Let me just tell you something. I am going to deal with an issue dear to many of the members in this place, and that is the Great Barrier Reef. It is incredibly important to Queensland's economy and it is incredibly important to the ecology and the environment of the world. We know that. We are investing over $2 billion in the Great Barrier Reef. Like the members for Herbert and Leichhardt, the member for Dawson, who sits here, is a great champion of the Great Barrier Reef, because he has so many businesses in his electorate that use the Great Barrier Reef. We do not do deals with the Greens in order to send out environmental messages which are lies. What we deal with is fact. We have delivered for the Great Barrier Reef and we are delivering in our own electorates, with things such as the Green Army engaging people.

We are delivering a new, fresh approach to politics and that new, fresh approach to politics is: let's have a debate on ideas. Don't start slinging across the chamber about hypocrisy and point scoring, because that is yesterday. You are already being left behind. It is sad but true. So come and join the journey to the future and join with us in a debate of ideas. You will lose and you will be recognised by the Australian population for what you are.

Mr GILES (Scullin) (16:06): I am going to start by referring to my great friend the member for Charlton. He said of the previous speaker, 'You have been in power for two years.' I have to disagree with him. What the evidence shows us—and it is the irony at the heart of this debate—is that the member for Fisher and many of the other conservative members of the parties opposite have been in charge for about two days. That goes to the heart of this matter of public importance: the craven capitulation of Australia's Prime Minister on matters he held out as matters of deep conviction because of his overweening ambition for this high office. It raises another question, and that is this: when did the coalition's climate policy descend into farce, as the member for Wentworth described Direct Action? Those were the words of our now Prime Minister. This is a really important question and there is a couple
of options. Was it at the time the now Prime Minister described the position of the former Prime Minister or is it now when he lauds that same position albeit very unconvincingly? I say this to the Prime Minister, the member for Wentworth: I like your old stuff better than the new stuff. Australia feels much the same way and Australia needs it urgently. As I am sure you are aware, Acting Deputy Speaker Whitely, the song, *I like your old stuff better than your new stuff* was by the band Regurgitator and that adds another layer of irony to this debate because what we have in the Prime Minister, far from a conviction politician, is someone who is simply regurgitating the thoughts of others, heedless of his views and heedless of the consequence. The worst part is the Prime Minister knows this but his ambition has conquered all. This is a tragedy and it is also a farce.

The Prime Minister says he will respect the intelligence of the electorate. Well, this debate shows that there is very little evidence of that approach from his government so far. He could, of course, in the climate debate make a good start and use the authority his party room has given him. He could choose to follow the advice of the scientists. He could choose to follow the advice of the economists. He could choose the side of the future, the side of our children and our grandchildren. But no, he chooses himself over all these things. He also chooses to take the views of reactionaries. I think of the extraordinary comments Senator Macdonald made yesterday about children being brainwashed to believe that climate change is being caused in part by human activity. Not a controversial contribution, you would think. It is the sort of thing the 'old' member for Wentworth would have jumped on. Instead, silence—and that is the measure of the man that he has become.

*Mr Fitzgibbon:* He has lost his mojo.

*Mr Giles:* He has lost his mojo. Maybe he had to give it away in the garage sale he had with the Nats. And that is a point we should touch on because this is a man, the hero, who took on the English establishment. He won spycatcher yet he got rolled by Warren Truss. That is his journey writ small, isn't it? He took on the might of the security establishment of the UK, he took on MI6 and he won but he got rolled by Warren Truss like that, in the blink of an eye. The Nats put the ambit claim on the table and he just—

*The Deputy Speaker (Mr Whiteley):* Order! You will use the appropriate titles for members of parliament.

*Mr Giles:* The Deputy Prime Minister, the Leader of the National Party rolled the Prime Minister and he did not even have to try. I see the minister from the National Party. For once he does not look confused at the table because he had a great win. Congratulations on that and congratulations to all the National Party members. Commiserations to the people of Australia today, their children and their grandchildren, who will pay the price.

What a difference a couple of days has made. In question time today we saw it again—all sophistry, no substance from this Prime Minister, this shrivelled political figure. He talks of thoughtful and considered decisions but instead we see the reverse. We know and he knows that Direct Action is a joke. He knows it, RepuTex have shown it. Question time yesterday was interesting and telling. This perhaps gets to the nub of how low he has sunk as a politician. He talked in an answer about offending it the principle of this party, which it does, about climate change where every measure is turned into an article of principle. Prime Minister, for you, it used to be an article of principle; for us, it will always will be an article of principle. We are not here to satisfy our personal ambitions. We are here to serve the nation.
today and tomorrow and the days after that. The Prime Minister knows that is his duty. He should step up to the mark.

Mr BROAD (Mallee) (16:11): Obviously the Labor Party is placating their guilty conscience about their lifestyles where they are walking around in their concrete filled jungles. It is interesting when they criticise the National Party. In fact, what those opposite have done today is sign up members to the National Party because they have simply pointed out to the Australian people just how powerful we are.

As I continue, I might make the point that the smog filled lungs of those opposite are obviously affecting their logic because if you look at the people who care about the environment, if you look at the people who care about the environment, they are people who live in regional Australia. Then you overlay that with: where are the seats that sit in this parliament? The people who live in regional Australia have chosen to vote for the coalition—country Liberal MPs or National Party MPs—and that is because they know what good environmental outcomes look like. They know what good environmental outcomes are in a practical sense.

The people I represent are very much invested in the environment. In fact, their core role in so many ways is to turn sunshine and water into wealth and food through their toil. I am probably one of the few members of the parliament who has real money in the game in this. Two million dollars of my assets are dependent upon the environment. Frankly, I know what it is like to farm through droughts. I know what it is like to farm through good times and I am not convinced that a carbon tax was the way to achieve good environmental outcomes.

They talk about the two-facedness. It is interesting. I remember a great line. What was it? 'There will be no carbon tax under a government I lead.' Who said that? People in the gallery would remember. I remember, that was someone who was prepared to do a deal with the Greens to get anything. Look, they have all run away. They have got a lot to say but they have all run away when they could actually learn a little lesson from someone who knows about what it is to manage the environment.

When I was out there in the environment in the difficult times under that carbon tax, what did I see? I saw processing prices go up. I saw fuel prices go up, where I would get some stock transported and the guy would load a carbon tax price on to that. I saw power prices go up. I saw investment confidence go down. And I saw the uptake of technology go down because we know that it is very hard to be green, it is very hard to be environmental when you are in the red. If you are going to load costs up on business, you actually get a negative environmental outcome, not a positive one. That is the point to remember.

The people that I represent are humble decent people. They do not ask for a lot. If the farmers who I represent can afford to put a new kitchen in, to provide for their children and their education opportunities, to occasionally buy new ute, what do they spend the rest of their money on? They spend it on the environment. They spend it on the farm that they love and they care for.

If you want to meet people who are passionate about the environment, you will meet them in the people who farm Australia's country. Think about this for a moment—you want good environmental outcomes and good environmental policy—60 per cent of the landmass of
Australia is managed by Australian farmers. We understand this and we understand that reducing their costs actually translates to good environmental outcomes.

I heard the member for Watson bellyache about water policy. Penny Wong, the former Minister for Climate Change and Water, and the member for Watson, the former Minister for Sustainability, Environment, Water, Population and Communities, refused to sign off on the Sunraysia modernisation project and they shut down blocks. They shutdown irrigation communities and took away jobs.

In two years, this is what we have done. We have spent $120 million. We have returned seven gigalitres to the environment out of this project—that is seven times 1,000 times the size of a swimming pool; seven gigalitres of water. We have invested in people growing more crops. We have put confidence back in. We have given accelerated depreciation for people to put that irrigation technology in. We have achieved better river health, better productivity, better environmental outcomes as well as growing wealth and growing rural communities. So the outcomes should be the focus.

The Prime Minister said very clearly today that the outcome should be the focus. What we have is a case study for the opposition to learn from as to how we can do things differently, still have confidence, still have wealth and have a very sound and secure environment for generations to come.

The DEPUTY SPEAKER (Mr Whiteley): Order! The time for the debate has expired.

BILLS

Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015

Returned from Senate

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

MINISTERIAL STATEMENTS

Iraq, Syria, Afghanistan and Operations in the Middle East

Mr ANDREWS (Menzies—Minister for Defence) (16:16): by leave—I rise today to update the parliament and the Australian people about Australia's defence operations in Iraq, Syria, Afghanistan, the broader Middle East region and our maritime approaches.

Iraq and Syria—Overview

Since my last Defence Force operations update to parliament, we have seen further atrocities and terrorist attacks either conducted, or inspired by, the terrorist movement known as Daesh. Beyond Iraq and Syria, Australia's thoughts and condolences are with the people of France, Kuwait, Tunisia, Turkey and, most recently, Saudi Arabia whose countries have suffered at the hands of Daesh terrorists. These attacks reaffirm that Daesh is a threat not only in the Middle East but in all countries, including tragically Australia.

It is for this reason that the Australian government remains committed to the international efforts to disrupt, degrade and ultimately defeat Daesh. This commitment is underscored by the Australian government's decision to extend Australian Defence Force air strikes against Daesh into eastern Syria. This is a logical extension of our existing commitment to the Middle East.
As the government announced last week, this marks the next phase of Australia's contribution to our important campaign against Daesh. Daesh does not respect borders and threatens the security of Iraq and the international community from its safe havens and command centres in Syria. It controls a large amount of territory in eastern Syria that serves as a source of recruitment and oil revenues. From Syria, Daesh has been able to operate its training bases, conduct planning and preparation for attacks, and move fighters and equipment into and out of Iraq. Royal Australian Air Force efforts in eastern Syria are being directed solely at Daesh. We will not be engaging in the broader conflict in Syria.

The legal basis for Australia's air operations in Syria remains the collective self-defence of Iraq. We strongly believe Iraq should not be left to face this horrendous threat alone. This is why Australia is continuing its Advise and Assist and Building Partner Capacity missions to develop the capacity of the Iraqi Security Forces, and continues to contribute an Air Task Group, at the request of, and to support, the Iraqi government.

**Iraq—ADF Operations Update**

Australia welcomed the commencement in July of Iraqi Security Forces operations to retake the city of Ramadi from Daesh. The mission is being led by the Iraqis and is being supported by the US-led international coalition, which includes Australia.

There have been some positive signs in this vital mission. However, the Iraqi Security Forces require ongoing support to reclaim and hold their territory, so they can assume responsibility for Iraq's security.

**Building Partner Capacity Mission**

Now into its fifth month, our combined Building Partner Capacity mission with New Zealand is steadily making progress. At the end of June, around 700 personnel from the Iraqi Army's 76th Brigade graduated from its training provided by Task Group Taji, representing the first tranche of regular Iraqi Army soldiers trained under the Building Partner Capacity mission.

To date, Task Group Taji has provided training to more than 1,600 Iraqi Army personnel and it continues to receive further Iraqi Army units for instruction. Task Group Taji is currently training the next tranche of around 700 soldiers from a number of Iraqi units. The Task Group has been training both officers and soldiers in skills, including weapon handling, building clearances and obstacle-breaching techniques, as well as training in the tactics, techniques and procedures for various operations. The Building Partner Capacity mission includes mentoring and training in professional military conduct, including the law of armed conflict.

**Special Operations Task Group**

Our Special Operations Task Group continues to advise and assist the Iraqi counterterrorism service in areas such as advanced combat tactics, K9 training, combat casualty care and explosives identification and neutralisation.

As the government indicated in April, the composition of Australia's Advise and Assist mission will change in the third quarter of this year. The government has decided to reshape the scope of the Advise and Assist mission, from around 200 ADF special forces personnel to around 80. This reshaping allows Australia to balance its contribution between specialist advice and support to the Iraqi counterterrorism service provided by the Special Operations
Task Group, and the training provided to the regular Iraqi Army through the Building Partner Capacity mission.

**Air Task Group**

Australia's Air Task Group remains a leading contributor of platforms, support personnel and missions flown in the coalition air campaign against Daesh.

As at 13 September, the Air Task Group had completed a total of 408 ADF air strike missions over Iraq. Specifically, our F/A-18 Super Hornet aircraft have completed 209 missions, releasing 278 weapons; the F/A-18 Hornet aircraft have completed 199 missions, releasing 237 weapons; the KC-30A air-to-air refuelling aircraft has conducted 394 missions, offloading nearly 32 million pounds of fuel to Australian and coalition aircraft; and the E-7A Wedgetail airborne early warning and control aircraft has conducted 135 command and control missions.

As has been reported, the Air Task Group has completed its first strike against a Daesh target in eastern Syria, destroying an armoured personnel carrier. Two of our F/A-18 Hornets identified the personnel carrier, hidden in a Daesh compound. The information was reported back to the Combined Air Operations Centre via the RAAF E-7A Wedgetail. Upon receiving authorisation to proceed, one of the Hornets employed a precision guided weapon to destroy the target.

**Embedded ADF personnel**

Australian Defence Force personnel are also embedded within United States headquarters in the US and across the Middle East region, including in Iraq and other coalition partner countries, to provide command and control functions and to maintain Australian awareness of regional developments. Five Royal Australian Air Force personnel attached to the United States Air Force perform operational duties with their US parent unit as MQ-9 Unmanned Aircraft System pilots and sensor operators. They operate as part of a US unit, but they do so in a manner consistent with Australia's obligations under international law.

These activities in the fight against Daesh—the Building Partner Capacity, advise-and-assist and air operations—reflect the Australian government's steadfast commitment to keeping Australians safe from terrorism and preventing the spread of violent extremism to our shores.

**Afghanistan**

In June this year I attended the NATO defence ministers meeting in Brussels to discuss the future of Afghanistan. Australia remains committed to the NATO-led Resolute Support mission, which is focused on training, advising and assisting the Afghan security institutions and Afghan national defence and security forces.

As I advised the parliament earlier this year, our commitment to Afghanistan has become the longest combat, and now mentoring, military commitment in Australian history, involving over 33,000 deployed Australian Defence Force personnel since 2001. It has involved significant sacrifice and commitment, including the lives of 41 ADF personnel who have died in Afghanistan. They have made the ultimate sacrifice, and we continue to mourn with and recognise the sorrow faced by their families and friends. A further 261 Australian Defence Force personnel have been wounded and many more affected in other ways by their involvement in Australia's mission to bring a more peaceful future to this war-torn country.
Over the last decade and a half, our purpose in Afghanistan has not changed. Our continuing efforts to build Afghan capacity and institutions aim to ensure that Afghanistan will never again become a safe haven for al-Qaeda and other international extremist groups.

Current commitments

Around 400 Australian Defence Force personnel are currently deployed in Afghanistan under Operation Highroad as trainers, mentors, embedded personnel in headquarters and in critical force protection, medical and intelligence roles. Our commitment at the Afghan National Army officer training academy supports the mentoring of Afghan officer cadets outside Kabul.

A class of 283 officer cadets graduated on 16 June, including the first female cadet platoon. This was the first commissioning of female officers to have completed their training at the academy. The Duntroon Sword for best overall cadet was won by a female officer cadet and was presented to her by the Australian Ambassador to Afghanistan.

Australia is also supporting Afghan security sector sustainment through an annual commitment of US$100 million. One important project funded by this commitment is the provision of Australian designed and manufactured counter-improvised-explosive-device equipment. The equipment provides the Afghan National Security Forces with a life-saving capability, tangibly increasing their confidence and capacity to conduct independent operations.

Afghan progress

At the beginning of 2015, the Afghan national defence and security forces assumed full responsibility for the security of the Afghan people. It was always acknowledged that their first fighting season in full security lead would be a challenge for the Afghan forces. While there have been tactical setbacks, overall the Afghan national defence and security force is providing security for the Afghan people, fighting its own battles, and holding population centres. The Afghan National Security Forces continue to demonstrate their increasing ability to plan and conduct independent operations.

We urge all key stakeholders to continue their support for reconciliation. This is because, notwithstanding the security gains, the path to lasting peace will be through an Afghan-led and Afghan owned reconciliation process.

Future commitment to Afghanistan

Decisions about the ADF commitment in 2016 are yet to be made, but we will continue to take account of Afghan progress, as well as NATO and United States plans as these develop. Beyond 2016, Australia will remain a constructive and committed partner to our Afghan friends.

Maritime and peacekeeping operations

In addition to our commitment in Afghanistan and Iraq, the ADF continues to support vital work in maritime security and peacekeeping operations in the wider Middle East and around the world. Since 1991 Australia has conducted near continuous maritime security operations in the Middle East region in support of international efforts to promote maritime security and stability. Australia's current commitment comprises a Royal Australian Navy major fleet unit
and personnel to support the US-led Combined Maritime Forces (CMF) to defeat terrorism, prevent piracy, encourage regional cooperation and promote a safe maritime environment.

HMAS Melbourne relieved HMAS Newcastle earlier this month on 6 September. HMAS Newcastle successfully seized over 1.3 tonnes of heroin, valued at over $1 billion, during her 4½ month deployment, helping to make this maritime force one of the world's most effective current heroin interdiction forces. Piracy off the Horn of Africa remains at record lows, with no successful attacks since 2013, largely due to the ongoing international operations in the region, in which Australia plays a critical role.

Australia also continues to be committed to peacekeeping in the Middle East. ADF personnel have participated in Operation Paladin since 1956, representing our longest commitment to a peacekeeping mission, with 12 ADF personnel currently deployed in the Golan Heights and southern Lebanon.

Nearby in the Sinai, Australia was an original participant in the Multinational Force and Observers mission under Operation Mazurka in 1982, and continues to participate today with a contingent of 25 ADF personnel.

I also acknowledge the efforts of around 400 ADF members on Operation Accordion, who are supporting Australian operations, including providing logistics and sustainment support and enabling contingency planning across the Middle East region.

We have a further 21 ADF personnel deployed to the UN mission in South Sudan, under Operation ASLAN. Our commitment to this mission is helping the UN to protect the people of the Republic of South Sudan through the monitoring of human rights and the delivery of humanitarian aid.

These important commitments to stability and security in the Middle East region, Afghanistan and South Sudan highlight Australia's ongoing commitment to a rules based global order, which supports Australia's security and prosperity. Our thoughts are with the men and the women of the ADF who are undertaking these important missions, and with their families.

**Operation Sovereign Borders**

Finally, in our own region, the Australian Defence Force continues to support Operation Sovereign Borders. Currently around 500 ADF personnel are at sea, in the air and on land working to protect Australia's borders and offshore maritime interests. These ADF personnel have performed an essential role in supporting the government's efforts to successfully disrupt and halt the people-smuggling trade that cost over 1,200 lives at sea in recent years.

**Conclusion**

The ongoing professionalism of our Defence Force and the readiness of our ADF personnel to defend Australia's interests around the world at short notice is truly extraordinary. On behalf of the government, and indeed on behalf of this entire parliament, I would like to extend my sincere gratitude to these men and women, as well as their families, for all that they do to ensure the safety and security of Australia and its people.

I present a copy of my statement.

**Ms PLIBERSEK** (Sydney—Deputy Leader of the Opposition) (16:32): I thank the minister for his update. He is quite correct to thank our ADF personnel on behalf of the whole
parliament because there is no doubt that all of us here in the House of Representatives and all of those in the other place share his gratitude for their fine work. The minister has provided a very important update today—important information about how our participation in Operation OKRA against Daesh in Iraq, and now in Syrian airspace, is progressing, including details of the first Air Task Group strike against Daesh targets in eastern Syria and the 408 ADF airstrike missions over Iraq.

The majority of our overseas personnel are in the Middle East with Operation OKRA, but also with operations including Operation MANITOU, pursuing maritime security, stability and prosperity—the training advice and assistance mission—Operation HIGHROAD in Afghanistan and Operation ACCORDION, providing broader support. The minister has also said we have our servicemen and servicewomen doing sterling work in peacekeeping operations around the globe, in our region and on our borders. We thank all of those serving personnel.

Without question, Daesh uses horrific means in an effort to reach abominable ends. The world is united against Daesh, and those living in the territory they control are subject to an oppressive and terrorising regime that is almost unimaginable. Much has been written about the cruelty of this organisation. One recent article—pointed out to me by the member for Melbourne Ports—says it all, an article titled 'ISIS enshrines a theology of rape' in The New York Times on 13 August 2015. We continue to be ready to work with the government to ensure an appropriate and bipartisan approach to dealing with this organisation and to national security matters in general.

As well as the important information the minister has provided today on current deployments, we believe that there is a requirement to provide information and inform this parliament about a coherent longer term strategy for the Iraq and Syria situation. While the importance and legitimacy of the provision of direct military support to defeat Daesh is certainly acknowledged, we need to understand that a broader political, social and economic strategy will be required to defeat this threat more broadly. Parliament is the place for debates of great national importance, and there is none more important than the deployment of Australian Defence Force personnel. The ADF personnel currently involved in operations throughout the world, and indeed on our borders at home, have Labor's support, whether they are in the Middle East engaging in peacekeeping, deployed on maritime operations or securing those borders. We applaud the great courage, determination and professionalism of our servicemen and servicewomen. We are proud of their high standards of conduct and of their competence. We are also proud of the very high standards that our forces adhere to in their operations.

As Australia is a party to the additional Protocol I to the Geneva Conventions, the ADF is highly skilled at minimising civilian casualties and collateral damage and exercises a positive influence on its coalition partners in this respect. Minimising civilian casualties in these types of operations has a vital influence on the overall success of the mission.

Labor joins with the minister in expressing support and sympathy for the people of France, Kuwait, Tunisia, Turkey and Saudi Arabia who have all suffered shocking attacks in recent times launched by Daesh or its sympathisers. This extension of Operation OKRA into Syria has bipartisan support. Our decision was based on the assessment of facts and guided by our principles. Firstly, there is no more important duty of a government than to keep its people
safe. Secondly, it is hard to be secure in an insecure world. Contributing to international peace, security and stability is in our national interest. Thirdly, international cooperation, multilateralism, the rule of law and international institutions are the best way to ensure a secure and stable international order. It is in Australia's national interest to be a good international citizen. Fourthly, human-rights violations, inequality and poverty create the conditions that all too often lead to instability in conflict and are a threat to Australia's long-term interests, wherever they occur.

Our initial support of Operation OKRA was based on both the 'responsibility to protect' doctrine, which we as a member of the international community support, and a legitimate request from the Iraqi government to join with other nations to protect their vulnerable civilians from mass-atrocity crimes. We also formed the view that a legal authority for this support exists through a legitimate request made by the Iraqi government. We take very seriously the Iraqi government's assessment that its aspiration to be a more inclusive and democratic nation, and the modest gains it has made in this direction, would be thoroughly undermined by a strengthened Daesh.

Recently, Iraq specifically requested international support to defend itself against cross-border attacks by Daesh that the Syrian government is either unable or unwilling to prevent. By doing so, Iraq has established legal authority under the principle of collective self-defence. Labor sought its own advice on the application of the principle, and we agree that it applies. We recognise the legal basis for crossing the border into Syria.

We are reassured that Australia continues to use its red-card system, which has seen Australian forces very successfully minimise the risk of civilian casualties during operations in the Middle East. We are thankful that there have been no Australian casualties and will work to ensure that risks to our personnel are sensibly assessed and addressed to keep them safe. Our bipartisan support for the extension of Operation OKRA was contingent on combat search-and-rescue arrangements being in place for any of our personnel whose aircraft might be downed. We have been assured that is the case.

We note also the minister's update on the situation in Afghanistan and we thank him for it. We join with him in hoping for a successful reconciliation process. We welcome the news of the graduation of the first female cadet platoon, from the Afghan National Army Officer Training Academy, in June. The fact that the Duntroon Sword for best overall cadet was won by a female officer cadet is a symbol of the change Afghanistan has undergone. It is a sign of real progress, progress that we hope continues. With 400 ADF personnel in Afghanistan as part of Operation HIGHROAD we note the minister's reference to 2016 commitments and we look forward to working with him to apply the same fact based values guided principles that we use when considering our support for any changes to our commitments overseas. We look forward to consultation in this area.

The length and cost of our commitment to Afghanistan has been great. The 41 lives lost, most particularly, weigh heavily on us. There have been 33,000 deployed ADF personnel since 2001, and 261 ADF personnel physical wounded and others psychologically injured. Our thoughts are always with the families and friends of those we have lost, and the wounded and their families and friends are in our thoughts as well.

We stand ready to cooperate fully with the government in exploring initiatives to analyse and address the difficulties some of our veterans experience on returning home, including
struggling with mental-health problems and, in some cases, homelessness. It is incumbent on us, having asked our military to sacrifice so much and risk everything on our behalf, to look after them when they come home.

I note the minister's assurance that RAAF efforts in eastern Syria are being directed at Daesh alone and we will not be engaging in the broader conflict in Syria. The situation in Syria—as the minister has said on more than one occasion—is complex. There are no simple solutions. What is needed is an international effort to bring the partners in the conflict and, very importantly, the forces behind them—arming them, supplying them, funding them—to the table. There must be a political solution. There must also be a greater humanitarian response from the world. Humanitarian corridors for the delivery of aid—urgently required food and non-food items, such as medicine—are needed.

Our objectives for the Middle East must be more than just defeating Daesh. In Iraq our involvement must be to allow Iraq to stand on its own two feet, by supporting internal efforts toward peace and security. As part of the overall strategic plan for Iraq it is clear that an essential key to success is the reinforcement of good governance, the rule of law and an inclusive polity that garners the loyalty and support of the disparate interests in Iraq.

It was the exploitation of the grievances of the Sunni community and the inefficiency, corruption and poor standards of parts of the government and parts of the Iraqi security forces that provided the fertile ground for Daesh to exploit. It is vital that Australia provide assistance to the government of Mr al-Abadi to enable him to pursue and deliver his ambitious reform agenda. This is our hope, for the people of Iraq, for a stable and secure future. Such a stable and secure future will make it possible for Iraq to defend itself and its people against extremist threats, within and without, and insurrections without such substantial international military presence.

Australia has a consequential influence in the world, and the role our military plays must be matched by renewed efforts toward a long-term multilateral strategy to resolve the Syrian conflict. We should recall that Australia has played a role in brokering peace out of seemingly intractable conflict before—not that we can do it ourselves but we should play a part. The Australian peace proposal for Cambodia produced a durable and lasting peace in that country.

We have been calling on the government to outline to parliament its long-term strategy for the defence of Iraq and allow for appropriate parliamentary discussion. I hope that the new Prime Minister will do so. Our previous commitments to Iraq, in 1991 and in 2003, were the subject of substantial parliamentary debate. There has, to date, been no significant parliamentary debate initiated by the government on the issues of either Iraq or Syria.

I am aware that the immigration minister is about to make a statement on Australia's response to the Syrian humanitarian crisis and my colleague the shadow minister for immigration will respond to that. But let me just say that we urge the government to match our military support with an increased commitment to humanitarian assistance. It is clear that the United Nations, relief agencies and NGOs are struggling to cope with the situation in Syria and that the neighbouring countries that are bearing the greatest responsibility for caring for refugees are struggling to cope.

Labor welcomes the fact that 12,000 more people will be given refuge in Australia. We have seen the efforts that Europe has made, and we believe that countries in the region, closer
to Syria, should also do more. We welcome the $44 million in assistance promised to the UNHCR but we believe $100 million would be a more reasonable figure this year. We are grateful to the minister for updating us on the military deployments not just in Iraq in Syria but wherever we have ADF personnel around the world.

We thank the minister for his update. This is the fifth ministerial statement regarding ADF operations since the election of this government two years ago. We hope the frequency of these updates will continue, if not increase. It would be wonderful if we could receive quarterly updates on these deployments.

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (16:47): by leave—I take this opportunity to update the House on Australia’s response to the escalating humanitarian crisis in the Middle East—in particular, Syria.

The images have been confronting for all of us. The crisis is becoming increasingly desperate as countries in the region struggle to cope with the enormity of the situation and the growing numbers of people displaced by the conflicts.

It is estimated that, to date, more than four million Syrians have fled their country. It is estimated more than seven million are displaced internally.

Australia has already provided support and is moving quickly to do more.

Indeed, more than 3,300 visas have been granted in our offshore program to Syrian refugees in recent years.

In 2012-13 there were 98 Syrians accepted as part of our offshore refugee and humanitarian program, which has grown to 2,232 in the most recent financial year. This was part of over 4,500 humanitarian visa grants to Syrians and Iraqis last year.

Last week, I met with the United Nations High Commissioner for Refugees, Mr Antonio Guterres, officials from the UNHCR and officials from the International Organisation for Migration in Europe to inform them of Australia’s response to this situation.

Accordingly, the government has announced a generous package of assistance beyond our existing humanitarian program intake. This includes 12,000 visas for those who face significant persecution as a result of the conflicts in Syria and Iraq and an increase in funding of $44 million for humanitarian aid in Syria and Iraq.

The government will continue to work closely with the UNHCR, the International Organisation for Migration and other partners in the region to deliver the increase in humanitarian places.

The Department of Immigration and Border Protection and partner agencies are working quickly to implement arrangements to manage the increase.

The department is deploying additional staff to the region and will use a combination of short- and long-term deployments in decision making roles in Lebanon, Jordan, and Turkey, where the bulk of people displaced by the conflict are located.

Multidisciplinary teams including security, identity and biometrics specialists will be deployed as needed.

Priority will be given to women, children and families from persecuted minorities and who are assessed as being most vulnerable.
All applicants will be required to meet the criteria for a humanitarian visa, including health, character and security assessments which will be conducted before individuals are able to enter Australia. We need to respond to those who are most vulnerable, but we also need to ensure we are doing so with Australia's national interest in mind.

As with other humanitarian entrants, visa recipients will be eligible for social security benefits, Medicare, English language assistance, torture and trauma services and settlement services.

The Department of Social Services, responsible for settlement arrangements, will take into account a range of factors, including family links and available services such as health and accommodation in planning for these arrivals. The government is advised that settlement organisations are currently well placed to provide for this increased intake. The Refugee Resettlement Advisory Council has been tasked with providing advice to government on the expansion of services, on matters of harnessing community support, settlement location, social cohesion and the importance of education and employment.

Our latest contribution of humanitarian aid will deliver food, water, health care, education, emergency supplies and protection, including support for women and girls, and will assist 240,000 displaced people affected by the conflict in Syria and Iraq.

This will bring Australia's contribution to address the humanitarian crisis in Syria and Iraq to about $230 million since 2011.

I know members' offices and government agencies have had countless offers of generous support from members of the Australian public in responding to this situation. The government thinks them for their offers and will work with state and territory governments, community leaders, peak organisations and settlement providers to try to harness this support in a practical way.

Since the end of World War II, more than 825,000 refugees and others in humanitarian need have been resettled in this great country.

Once again, Australia has responded generously to those most in need, to those who have been caught overseas in conflicts far from our shores. We stand very proud as a nation to offer them support in their darkest hour and we look forward to continuing support when they arrive on our shores to provide them with a new opportunity in life.

Mr MARLES (Corio) (16:52): Last week, the politics of immigration in this building changed, and in a wonderful way. The order of the day was generosity, which is exactly how it should be. This, of course, is not how these events started. As late as last Sunday week, the government's position remained one of not contributing any additional places to the Syrian crisis beyond our humanitarian framework, but a few days can be a long time in politics. Last Monday week, the opposition called on the government to provide, as a start, 10,000 refugee places to the crisis in Syria and to coordinate amongst states and community groups within the country a way in which that could be done, along with making a contribution of $100 million towards the state of affairs in Syria.

That announcement was met by some on the government side with a predictable narrow-mindedness, but the government itself responded in a very welcome way by a contribution of 12,000 places, which, by international standards, is generous indeed. I would like to acknowledge the role of the minister in seeing that happen, being, as he was, in Geneva and
speaking with the United Nations High Commissioner for Refugees during the course of last week. It is a really significant contribution to the situation in the world today. We also acknowledge the $44 million that the government put on the table, which will change the lives of tens of thousands of people in and around Syria. As the shadow minister for foreign affairs said, we would have preferred it to be a larger amount, but $44 million will go a long way.

This is a very significant moment. It is a very significant moment in the life of this parliament and in the life of this debate. Last week, we saw the major parties dealing with this issue and, if I might say, competing on the basis of generosity—not on toughness but on generosity. That is, in my view, a sea change in the way in which we have gone about the immigration debate. It was a great moment for this parliament and a great moment for all those involved in this debate, including the minister. We are witnessing today the greatest humanitarian need since the Second World War. Fifty nine million people, according to the UNHCR, are displaced—the largest number since the Second World War. In Syria alone, we see 11 million people displaced, seven million internally and four million beyond the borders of Syria, a situation I personally saw when I visited the Zaatari refugee camp in Jordan, near the border with Syria, in April this year.

Knowing this, Labor have been very keen in the position that we have taken to make sure that we as a party and an opposition stand for Australia to make a generous offer to the world's affairs. That is why, at our ALP conference in July this year, we announced the transformational commitment to the UNHCR, if Labor were elected to government, of $450 million over three years and the doubling of our humanitarian intake over the course of 10 years. It is the single most generous offer of any potential Australian government to the state of the world's humanitarian affairs and we are very proud to have that position.

There is, of course, an the immediate crisis which needs to be addressed—and that is what we saw this parliament do, ultimately in a bipartisan way, last week. As I say, it was a great moment for this parliament and for our country. Given the state of the world today, not just in Syria but in places like Yemen and in places where there are old conflicts, such as Somalia; and given the state of affairs in northern Nigeria with Boko Haram—and there are many other places around the world where there are people displaced—we need to be playing our part as a nation. We need to be generous. Last week was a very proud week for this parliament. It was a great week in which to be a member of this place. I very much commend the government on the offer that it has made.

COMMITTEES

Public Works Committee

Approval of Work

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (16:57): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: OneSKY Perth Air Traffic Services Centre—Modernisations works.

As I advised the House when referring this project to the Public Works Committee, Airservices Australia and the Department of Defence are planning to replace their existing air
traffic control systems with a new civil-military air traffic management system to provide a common platform for provision of air traffic control in both civilian and military controlled airspace. The current air traffic services centre in Perth, Western Australia supports the delivery of air traffic management services by air traffic controllers from both Airservices and the Royal Australian Air Force, as well as office administration space and facilities.

To support the successful deployment of the civil-military air traffic management system, this project is to modernise the current air traffic services centre in Perth. The refurbishment will extend the life of the building for a further 20 years and upgrade the existing supporting infrastructure to enable delivery of the civil-military air traffic management system. The modernisation of the Perth air traffic services centre will ensure availability, reliability and capacity of mechanical and electrical infrastructure for both future and current needs.

Perth has experienced record increases in air traffic over the past 10 years, and this traffic is expected to continue to rise significantly over the next 20 years. The proposed works include a new plant room, an upgrade and reconfiguration of the existing buildings and infrastructure, and an upgrade to the fire protection system. The proposal also includes upgrades to the existing site security systems, together with a closed circuit television system and a new perimeter fence.

The committee has conducted an inquiry and is of the view that the project signifies value for money for the Commonwealth and constitutes a project which is fit for purpose and expedient to carry out. On behalf of the government, I would like to thank the committee for undertaking a timely inquiry. Subject to parliamentary approval, the proposed works are scheduled to commence in late 2015 and be completed by early 2017. I commend the motion to the House.

Question agreed to.

Reference

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (17:00): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: AIR5431 Phases 2 and 3 Air Traffic Management and Control System Facilities and Australian Defence Force Air Traffic Control Complex Infrastructure Project.

The Department of Defence and Airservices Australia are proposing to replace their existing air traffic control systems with a new civil-military air traffic management system being delivered under the OneSKY project to provide a common platform for provision of air traffic control in both civilian- and military-controlled airspace. Australia's OneSKY initiative will bring civilian and military air traffic control together under one air traffic management system for the first time, improving aviation efficiency and safety.

To support this initiative, Defence is proposing to construct new or upgraded existing air traffic control towers, airfield systems complex buildings and sensor equipment to buildings at 13 Defence bases and five off-base Defence sites across Australia. Defence air traffic control services are for the purpose of preventing collisions between aircraft, between aircraft and obstructions, between aircraft and vehicles in the ground manoeuvring area and expediting and maintaining an orderly flow of air traffic within military-controlled airspace.
The majority of the current air traffic control towers and airfield systems complex facilities were constructed in the 1960s and do not comply with current Building Code of Australia and engineering requirements. The project is valued at $409.9 million, excluding GST. These costs include all construction costs, management design fees, furniture fittings and equipment, contingencies and escalation allowances.

Subject to parliamentary approval of the project, construction is expected to commence in early 2016 at RAAF Base Amberley. Works at the other sites will progressively commence from late 2016. All works are anticipated to be completed by the end of 2021. I commend the motion to the House.

Question agreed to.

Reference

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance)(17:02): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Land 121—Unit Sustainment Facilities Project.

The Australian Defence Force is required to prevent, deter or respond to threat in a variety of environments. To achieve this, it requires vehicles which provide enhanced battlefield mobility and logistics support. The Department of Defence is proposing to provide new and refurbished infrastructure at eight locations across Australia for the acquisition of new vehicles for the Australian Army, Royal Australian Air Force and joint logistics command units across Australia.

The proposed works include new maintenance workshops and associated repair part stores, weighbridges, loading and inspection ramps, wash points, fuel points, vehicle shelters and associated hardstandings. The project is valued at an estimated $276.5 million, excluding GST and includes construction costs, management design fees, furniture, information and communications technology, fitting and equipment, contingencies and escalation allowances. The main works will be delivered in the Townsville and Brisbane regions, with minor works being delivered near Sydney, Puckapunyal, Adelaide, Perth and Darwin. This capital investment in facilities will bring economic stimulus with expected opportunities for local subcontractors over the next three years.

Subject to parliamentary approval of the project, construction is expected to begin in early 2016, with staged practical completion occurring between late 2016 and 2019. I commend this motion to the House.

Question agreed to.

Reference

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance)(17:05): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Battlefield Airlifter Facilities Project, Royal Australian Air Force Base Amberley, QLD.

Mr Neumann: In Blair!
Mr McCormack: In Blair, indeed. The Department of Defence is proposing to construct new facilities at the Royal Australian Air Force Base Amberley in Queensland to support the introduction of 10 new C-27J battlefield airlifters aircraft and support systems for the Australian Defence Force. The C-27J battlefield airlifter aircraft is replacing the Caribou aircraft which was retired from service in 2009 after a career spanning more than four decades. The flexibility of the C-27J allows it to undertake a wide range of missions, from delivering ammunition to front-line troops to undertaking aeromedical evacuation of casualties.

The Battlefield Airlifter Facilities Project will provide modern, purpose-built facilities and improved infrastructure to support the operational readiness, security and capability requirements of No. 35 Squadron. The squadron's role includes conducting airlift operations from a range of rudimentary airstrips from battlefields to humanitarian missions in remote areas. The project includes a new headquarters building, hangars, a new apron which includes high masts and airfield ground lighting, hydrant refuelling points, maintenance and deployment facilities, new training facilities, space for flight and fuselage training simulators, and associated engineering and site works. The project will also construct facilities to replace functions displaced by the battlefield airlifter operational facilities and relocate a heritage building on the base.

The government-approved budget for the Battlefield Airlifter Facilities Project is $380 million, excluding GST. This includes construction costs, escalation allowances, professional service fees, design, construction and defence contingencies and information technology equipment. Subject to parliamentary approval of the project, construction is expected to commence in early to mid 2016, with all construction completed by early to mid 2018. The project will provide opportunities for growth and jobs throughout the construction period. I commend the motion to the House, and I am sure the member for Blair, sitting opposite, will agree with me.

Question agreed to.

BILLS
Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015
Foreign Acquisitions and Takeovers Fees Imposition Bill 2015
Register of Foreign Ownership of Agricultural Land Bill 2015
Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr Chester (Gippsland—Parliamentary Secretary to the Minister for Defence) (17:08): Before I recommence my comments in relation to the bill before the House: the Minister for Defence has recently made an important contribution in a ministerial statement in relation to Australia's involvement in the Middle East, in particular Iraq, Syria and Afghanistan, and I would like to join with him and associate myself with the comments of both the minister and the member for Sydney on behalf of the Nationals. It is good to see such a bipartisan spirit in relation to our commitment to help protect and train foreign forces in a way that is helping to
provide some prospect at least of peace and stability in a troubled region of the world. I had
the opportunity earlier this year as part of the ADF Parliamentary Program to travel to the
Middle East with a contingent of members of parliament. We went to Afghanistan and had the
great experience of spending some time with our troops on the ground and seeing the work
they are doing working with the Afghan National Army in helping to put them in a position
where they can perhaps survive the fighting season and deliver more security for the people of
Afghanistan. It was a great pleasure, honour and privilege for the members of parliament who
were part of that program. So, I associate myself with the comments made by the minister
during his ministerial statement.

In relation to the bill before the House, the Foreign Acquisitions and Takeovers Legislation
Amendment Bill: as I was saying before the break, I think it is well recognised that increased
investment, both from within Australia and from overseas, will be vital to realising Australia's
agriculture's potential for further growth. According to a report three years ago, Greener
pastures: the global soft commodity opportunity for Australia and New Zealand, which was
commissioned by the ANZ bank, an estimated A$600 billion in new capital is needed through
to 2050 to generate higher levels of growth and profitability in Australian agriculture. At the
same time, it is essential that suitable checks and balances are in place to ensure that foreign
investments are not contrary to our national interest and provide flow-on benefits for farmers,
for the communities around them and for the national economy. All foreign investors must
pay tax on their business profits made in Australia. Furthermore, the government requires any
business operating in Australia, whether locally or foreign owned, to operate in accordance
with Australian law, including Australian tax laws.

The coalition government has taken several steps to increase scrutiny and transparency
around foreign ownership of agricultural land. This includes developing a foreign ownership
register of agricultural land. The coalition is also significantly lowering the monetary
threshold for screening of foreign investment proposals related to agricultural land and
agribusiness from about $250 million down to $15 million and $53 million, respectively. The
previous threshold was actually quite meaningless, because it enabled foreign buyers to
purchase large tracts of land below that threshold. It would take a lot of dairy farms and a lot
of vegetable flats in the electorate of Gippsland to ever trigger that threshold.

The legislation before the House has widespread support in the community. National
Farmers’ Federation President Brent Finlay said it would ensure a fact based discussion about
who owns what in Australia. He said: 'We know that 99 per cent of Australian farms are
owned by Australian families' and 'We need to see who's buying what so that we can have an
informed discussion.' National Farmers' Federation Acting Chief Executive Tony Maher said
that his organisation welcomed overseas investment but supported the current policy of close
scrutiny.

In conclusion, Australians are, rightly, concerned about foreign investment, particularly in
relation to agriculture. A poll conducted by the Lowy Institute for International Policy found
that in 2013 a majority of Australians still considered that 'the Australian government is
allowing too much investment from China', an attitude largely unchanged since 2010. I fear
that a lot of that concern is driven by fear rather than by facts. So, I congratulate the minister
on bringing this legislation to the House so that we will have the facts before us. People need
information. They need information at their fingertips, and that is what this bill seeks to
address. It can never be a bad thing to give people more facts to make informed decisions. Foreign investment is and will continue to be vital to the future prosperity of regional Australia. But it is equally important that we have a robust and transparent process to give us a clear picture of which foreign entities are investing on our soil. I commend the bills to the House.

Mr Gray (Brand) (17:13): The Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 is indeed an important bill and an important initiative of the government. I can recall when I was studying economics last century reading the observations from the venerable British economist Joan Robinson:

The misery of being exploited by capitalists is nothing compared to the misery of not being exploited all.

I thought about Joan Robinson's comments the other day when Shell announced its $70 billion bid for the BG Group, which in turn had me thinking about a few other things in my own past, when I worked for Woodside Energy in the defence of Woodside against that Shell bid.

Fourteen years ago then Treasurer Peter Costello rejected Royal Dutch Shell's bid to take over Woodside, which was then and remains the operator of Australia's largest resources project for the North West Shelf in Western Australia. Woodside did not like being caught in the great eye of Royal Dutch Shell, and Peter Costello believed that Shell's acquisition of Woodside would not be in the national interest, because Shell would control, determine and sequence the development of Australia's liquefied natural gas industry in its interests alone. At the time, the Treasurer said he could not be sure that Shell would promote exports from the North West Shelf in preference to its competing projects elsewhere. In 2001 the North West Shelf was Australia's only liquefied natural gas LNG project, exporting about 7.5 million tonnes of LNG a year to Japan. Today, Australia has four operating LNG projects, six under construction, and expects to be producing about 80 million tonnes a year by 2018, to be the world's largest exporter of LNG. That would be a tenfold increase in LNG exports over what Australia produced in 2001.

By any measure, Peter Costello's decision served our nation's interest well. It was in, many ways, a landmark decision. It was quite counterintuitive for a pro-market Liberal government to make a decision to constrain a foreign investor's takeover activity in Australia. I guess that goes to the nature of intelligent government decision making and good frameworks for decision making, in that Treasurer Costello was able to make such a bold decision in the national interest.

I have already declared my interest, in that I was an employee of Woodside at the time. I was a vociferous and active campaigner to keep Woodside in Australian control and not to allow the takeover by Royal Dutch Shell. I can well recall a conversation with former Treasurer Costello in which I assured him that, if the government made the decision to allow the sale of Woodside to Shell, we would go quietly and, if he made the decision to allow Woodside to continue as an independent company, we would make him proud. On the basis of that argument alone, I felt very comfortable indeed that whatever decision the former Treasurer would make he would make in the national interest. I think by any reasonable level of conclusion—you can look at this through whatever lens you like, whether it be total dollars of export income earned, level of employment, level of skill, Indigenous employment and Indigenous benefit, regional development or royalties to state governments and local
communities—this decision was the very cornerstone of an insightful growth in the LNG industry.

Ironically, Shell has learnt a trick or two in the intervening 14 years and is now set to achieve what Peter Costello denied it 14 years ago. It is seeking a dominant position in Australian and global LNG supply. We thought then that such dominance was not good, and I argued that as I worked for Woodside. The new combined BG-Shell companies—should Shell be successful in its current takeover bid of BG—will produce more than the world's next biggest LNG player, Catagas, which is a government-owned entity, and will produce more than double the next global publicly listed LNG player, Total, in France. Under the deal, Shell's annual deliveries of LNG will rise from around 34 million tonnes a year to 45 million tonnes, which is around 20 per cent of current global LNG demand.

Among the jewels that Shell will get in this takeover bid are Australia's first east coast LNG project, in Queensland, on Curtis Island at Gladstone, which BG Group built and began operating in 2014. It is amongst the world's lowest cost new LNG plants and it is the first LNG-from-coal-seam-gas plant in the world. This is a good decision that Shell has made. I believe it will be a good decision and in Australia's interests for this transaction to be completed and to be completed forthwith. It is possible to see that, through the Shell takeover of BG, not only is a greater alliance created for the Arrow gas reserves but, importantly, a global player is brought into our east coast LNG export industry, with substantial domestic assets that allow the growth of a whole new business.

I reflected, when I came to the conclusion that the Shell takeover of BG was, in fact, very strongly in our national interest, on how arguments change and how the cycle changes and how the foreign investment review process allows for intelligent, iterative government decision making in our national interest. You see, Australia, as a growing nation, has always been an importer of capital, whether it be to grow our wool industry, our beef industry, our iron ore industry or our tin or copper industry. We have relied upon foreign investment. Our oil industry, our gas industry and our LNG production that I referred to all rely on massive amounts of foreign investment. The cities of Mount Isa and Broken Hill, the communities of the Pilbara, Mount Tom Price, Mount Newman and Kalgoorlie all rely, for their very existence, on foreign investment. So how we manage our foreign investment is critically important.

Trade and investment are effectively two sides of the same coin. To take advantage of new markets around the world, we need to support new production at home, and to support production we need investment. Increasingly, in the scale of the investment that we need, we need foreign investment. Foreign investment has therefore, through that virtuous cycle, been critical to Australia's growth and it is critical to our future prosperity. I guess that is why the National Farmers' Federation has estimated that, for Australian agriculture to reach the capacity needed to meet rising demand, it will require investment of between $1.2 trillion and $1.5 trillion over the next three decades. That is equivalent to our current gross domestic product over the course of the next three decades. That investment will substantially come from overseas. The former government, led by Mr Abbott, had what can only be described as a retrograde approach to foreign investment in agriculture. It imposed new barriers to foreign investment in agriculture and in agribusiness. I do not believe that those barriers can serve our interests as a nation well. It introduced a complex regime of differential and discriminatory
thresholds for Foreign Investment Review Board screening of proposed investments, with no economic or foreign policy rationale—just a tawdry domestic political rationale. The government has reduced the investment screening thresholds for agricultural land to $15 million for investors from China, Korea and Japan, but not for investors from Singapore and Thailand, who enjoy a $50 million threshold. That seems to make no sense—$15 million for China, Korea and Japan and $50 million for Singapore and Thailand, while the United States, New Zealand and Chile enjoy a threshold of over $1 billion.

I take a very liberal attitude to foreign investment. I embrace it. I support it. I accept that not only my living standard but the living standard of my children is deeply reliant on a deep and steady flow of foreign investment. These difficult and discriminatory thresholds present not just a barrier to business but a confusion. Part of that confusion allows business models to be built around Foreign Investment Review Board approvals that cause, in and of themselves, substantial confusion too, as the investment lawyers get themselves involved in providing advice both to FIRB and about FIRB back to investing companies.

For any company that might be looking at this speech and the words that I am speaking now in the context of the Foreign Investment Review Board, my simplest and clearest advice is that investors should engage directly with the Foreign Investment Review Board and not indirectly through lawyers or third parties and intermediaries. You will find the Foreign Investment Review Board is staffed by highly competent people, making judgements and capable of understanding economic arguments in a most profound way. It is a group of public servants and advisers who have advised successive governments on the most difficult sets of decisions, and on very few occasions has it concluded to recommend against an investment. So the FIRB is not something that should be feared by investors. It is in fact an entity that should be embraced, engaged, informed and supported in all of the consideration of investment by overseas investors in Australia.

But I say again that the discriminatory thresholds that had been introduced in the course of the last few years make a mockery of the very good instrument that we have in the Foreign Investment Review Board. In this year’s budget, the government announced $735 million in new application fees for foreign investors. I think this is a terrific idea. It is a good idea to make that charge. It is a good idea to make that charge on the entities that will be using the Foreign Investment Review Board, and it is the right way to go about placing that charge on such investors.

It is no surprise, of course, that I, with my background, would complain about the discriminatory thresholds and barriers. That complaint has been voiced on many occasions by the Business Council, the Food and Grocery Council and a number of other entities, from the Queensland Farmers Federation to the Chamber of Commerce and Industry of Western Australia. But we can as a nation take a lot of pride in how our Foreign Investment Review Board operates and the decisions that it makes. Not just on balance but on each and every occasion that we have needed the FIRB to step up and put in place a good and thoughtful decision, it has been capable of doing that—with the exception, I would say, of a decision made not so long ago in the context of Archer Daniels Midland and their bid for GrainCorp, a bid which those of us on my side of the House, from the public information that was available to us, were broadly supportive of but which ultimately, for reasons that I cannot fathom, was blocked by Treasurer Hockey. It was the first major US based foreign investment to have
been blocked. It was in the agriculture sector. It was an important decision which the government made and which I do not believe has been properly explained. I believe that, in order for us to maintain investment at the level that we need it to be maintained at in our grain infrastructure on both coasts—and most knowledge that I carry is of the west coast; I do not claim to be knowledgeable at all about the east coast, but I do want to place on record my personal confusion at that decision by the Treasurer—in the context of the capacity to make profound and generationally significant decisions, a better decision was available to us—one that would have been more transparent and more clearly supporting foreign investment in our agriculture businesses and importantly, in that context, in the areas of logistics and of getting our product into markets.

Having said that, I support this bill and I look forward to watching its passage through both houses.

Mr RAMSEY (Grey) (17:28): I rise to speak on the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 and the other bills associated with it. There are four important points here that we need to consider. First of all, modern societies need rules. Secondly, they must not be too onerous. Thirdly, they must be enforced and have significant consequences if individuals or entities choose to break them. Fourthly, the people of Australia must have an inherent trust in the system, whatever that system is, whatever arm of government it is and whatever it refers to. The people have to have an open and clear understanding of what the policies of government are and how they work, and they must trust them.

I would like to expand on that just a little. First of all, we need rules. A lot of us do not like rules, but otherwise we would be driving all over the road. Otherwise we would be using substandard products. Otherwise our children would not have a standard education. Of course we need rules. We know we need rules, but they must not be too onerous. If rules are too onerous, either they inhibit investment and freedom or they are totally ignored, and a rule that is totally ignored is the most useless rule of all.

There must be consequences. Most of our rules, in Australia, work on an honesty system. If we compare foreign investment rules to the taxation system, the taxation system in Australia relies on people putting in their personal return honestly, answering the questions honestly, and then paying their honest amount of tax. I cannot guarantee that everyone in Australia does that; in fact, I have a fair idea that there might be a couple who do not! But the reason most people lodge an honest taxation return is that they have some real fear that, somewhere along the line, they will be audited and, if they are found to be cheating on the system, they will be gone through like a packet of Epsom salts. That is a good system. It is the cheapest way to run the system. And so it is with all forms of foreign investment in Australia. We rely on the individuals—on the entities—to be honest. But there must be a reasonable chance of them actually getting caught and paying the consequences. If they are caught, those consequences need to be significant, because if they are not significant then the individual or the entity will do whatever they like and just thumb their nose and wear the slap on the wrist, as it were. For instance, we have rules around Australian standards, and I was speaking to one of the ministers' representatives only the other day about the importation of substandard products. Somewhere down the line someone has to sign a form to say, 'These imported goods are up to Australian design standards,' and there should be consequences if they have misled the customer. Just as with that system, so there
should be—in the issue of foreign investment in Australia—serious consequences when someone gets caught.

Most importantly, at the end of the day we must have a system that has trust, because, in the end, if the public does not trust the system, it is destined for failure and it will be destroyed. If the public does not trust the system of—to use that analogy again—importing building products, if they are not up to standard, then eventually the outcry will mean that they will demand change. That system will not survive and there will be collateral damage along the way. That is why we need a system that is open and transparent that the public trusts. That is what we are doing with this legislation and that is what the government is doing. It is not introducing reams of new restrictions. There are few alterations, but, by and large, they are enforcing the perfectly fair system that we already have.

This is brought to light mainly by the thriving—or should I say booming—Sydney house market. House markets are wondrous things. They can be driven by lots of things. The questions are: is the Sydney house market a bubble, and is it driven by negative gearing? There are many pundits out there who say that if we did not have negative gearing we would not have this bubble, or this boom, in the Sydney house market. I do not want to speak on the merits and demerits of negative gearing today, but the great question is: if you do not allow a full tax-deduction for investment in housing that then makes it a significantly different investment to everything else we invest in, in a business sense—like if we want to expand our chemist shop or our farm then, of course, the borrowings we take to do that will be a full tax-deduction—so why would you make housing different? But I do digress.

To come back to the Sydney housing market, one of the other factors of course is land availability. We know, when we look at these houses worth $1½ million, $2 million or $3 million, that if you knocked down the houses and replaced them they would be lucky to be worth $300,000 or $400,000. It is not the house—it is the land.

There are all kinds of reasons for restricting urban sprawl. Some of them are very good, and some of them are driven by state governments; some are driven by city councils, who want work out a way to harvest the uplifting prices, so they can put it back on their slate, if you like. And of course, land prices, or housing prices, can be driven by overenthusiastic bankers. They could also be driven by foreign investment—other people coming in and buying into those markets—or maybe those booming Sydney house prices are driven a little bit by all of those things and maybe not by any one in particular.

We do have rules in the case of foreign investment in the housing market, but, in reality, we find that they have been largely ignored. They are quite good rules with quite good reasons, but they have been ignored—either by disguising the identity of the real purchaser by using third parties, or even by not registering the sale. We have these rules, but as I said before, it is absolutely pointless if we do not enforce them, because they will be ignored. That is where we have got to in that issue.

This legislation—this cluster of bills—moves responsibility for the monitoring of foreign purchases to the Australian Taxation Office. They are a very sophisticated organisation. They have better systems for linking data and screening purchases, so they will have a much higher chance of identifying breaches of the rules that we already have in place. That will, in turn, enhance the public's confidence in the system and will underwrite the fact that we have a good
level of investment in Australia—the right level—coming from the right places with the right controls on it. The increasing penalties will apply to that.

There is a partial amnesty on these land ownership issues, until 30 November, because as a government we want people to come forward and self-identify and say, 'Well look, yes, I really did do the wrong thing, but, now it has been pointed out to me in the nicest possible manner, I am willing to come forward and either divest that property or meet the regulations that surround it.' So that is where we are now in the housing market.

I will now turn to agriculture. Mr Deputy Speaker Goodenough, you would know that I would be vitally interested in agriculture, because that is the kind of electorate I come from and that is the kind of business I used to be involved in. There is a lot of hyperbole around foreign investment in agricultural land but, at its heart, there are genuine questions about its cause and effect on Australia and the lack of clear understanding of its quantum and range. There is a history here. I understand that, historically, the biggest investor in Australian agricultural land is the United States, followed by the United Kingdom. There is a long history in Australia of this type of investment, and there is no real evidence of bad outcomes as a result of that foreign investment in Australia.

One of the topics that I am quite keen to bring up when I am talking about this subject—one that you are probably aware of, Mr Deputy Speaker Goodenough, coming from Western Australia—is the Esperance Land Agreement Act, which was signed in, I think, the 1960s. It facilitated the importation of a lot of American money. American companies came in and cleared the country around Esperance and developed the farming properties there. At a later stage a lot of those properties were bought by the insurance industry. Interestingly, after some time, the insurance industry, decided that it was not so easy to make a buck out of agriculture in Australia and said, 'It's not such a great investment; we'll sell them off.' The result, of course, was that Australian farmers got really well-developed properties cheap. As far as I know, most of the land in that part of the world is now privately owned, mainly by families, and is very productive. It was a great outcome, and it would not have happened without foreign investment.

I have a friend in the south-east of South Australia. They have a property there where they run cattle. They wanted to invest in a 1,000 cow self-milking dairy, and the only people who were keen to bankroll it were Malaysian interests. They wanted all the milk—but, at the moment, it does not produce any milk. The owners of this land estimate that it would have led to five times the income coming off this certain amount of land. It has not happened at this stage, but the point is that it is pretty hard to be critical of that kind of foreign investment because, at the end of the day, if they pay too much and it is not a viable option, we will end up with a cheap asset here in Australia.

The questions that people raise around foreign investment in agricultural land seem to revolve around the strength of our transfer pricing policy and the Australian Taxation Office. If in fact they are using Australian inputs and Australian labour, which they are required to do under our regulations—and operating under our system of chemical application and the things to do to care for the land—and they are paying the correct amount of tax at the free on board stage, it is no different to anybody else owning that property.

But the government has listened to the people, because we know there is a lot of unease out there, and we have heard their concerns. I spoke earlier about how important it is in this area
that people trust the regulations that are in place, that they trust the government and that they trust the system to look after them. Firstly, we are in the stage of developing a national register of foreign owned land—because, how does anyone make intelligent decisions about these issues if they are in an information vacuum? We cannot have a conversation without the facts. The register is essential, and we are working with state governments at the moment to bring that up to speed.

Secondly, the threshold for the Foreign Investment Review Board to look at the purchase of agricultural land has been reduced $252 million to $15 million, and it is cumulative. So, if an entity buys a $7 million farm and another $7 million farm and another $7 million after that, the trigger goes off and the Foreign Investment Review Board will have a look at it. That does not mean to say that the investors will not be allowed to buy it; it just means that the Foreign Investment Review Board will ascertain whether the purchase is in Australia's interest or against Australia's interests. I think that is an important move. We can talk about the values, but there has only been one agricultural property ever sold in Australia for more than $252 million. So, if you are going to leave it at that figure, you may as well not have it at all. We have decided that we will reduce it, because people are concerned. As I said, if people are concerned and they question the system, eventually that mistrust builds up and it is likely to fail. So it is important that we give people that assurance.

The third thing is the $55 million threshold on the purchase of agribusinesses. I often say to people that I think the loss of control of agribusiness is actually a more dangerous thing for Australia than the loss of land, because in the end they cannot take our land back overseas. I will use as an example a product that used to be made in Australia but is no longer—Blundstone boots. You can still buy them. They still look the same. They are still an Aussie product but they are not made here. The labels have been bought and they are made overseas. That IP is able to be shifted. So I think it is a little different. It is right that the FIRB should have a look at this industry. I think these bills are good value and I support them. (Time expired)

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (17:43): It is always great to follow on from the member for Grey, from South Australia. He understands the importance of the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 and related bills. He knows that, in the lead-up to the 2013 federal election, in which he was successful in his seat, the coalition announced that it would be lowering the screening thresholds for foreign investment in agricultural land and agribusinesses and establishing a register of foreign ownership of farmland in Australia.

I am not surprised that the speakers' list for Labor has been exhausted. They are a bit embarrassed about this legislation. They have never been supportive of lowering thresholds. In fact, I well recall that, when foreign ownership was being discussed in the 43rd Parliament, Labor increased the threshold for farmland and agribusiness from $248 million to $252 million, which is where it sits now. That is far too high. I always argue that you could just about buy every farm in the Riverina for $248 million, let alone whacking another $4 million on top of that. It was just ridiculous.

In speaking to this legislation, I intend to provide a snapshot of a couple of towns within the Riverina. In this speech, I also intend to quote from an excellent article that the Australian Farm Institute published in February 2014.
This is important legislation. On 2 May 2015, the government announced changes to strengthen the integrity of the foreign investment framework. These measures included enforcement of the existing foreign investment rules by transferring the residential real estate functions to the Australian Taxation Office; and utilising sophisticated data matching systems and specialised staff with compliance expertise—and that is important, because we cannot have first homebuyers, or any homebuyers, being squeezed out of the market due to prices going up too high from foreigners coming in and buying off the plan.

Stricter penalties to make it easier to pursue foreign investors who breached the rules are also a part of the framework of this legislation. The existing criminal penalties will be increased from $90,000 to $135,000 for individuals, and divestment orders will be supplemented by civil pecuniary penalties and infringement notices for less serious breaches of the residential real estate rules. Third parties who knowingly aid a foreign investor to breach the rules will also now be subject to civil and criminal penalties, as they should.

Importantly, with agricultural land, from 1 March this year the screening threshold for farmland was lowered from $252 million to $15 million, and that is cumulative. So you cannot buy a farm and then the farm next door and then the farm next door to that. Once it reaches $15 million, that is it. It will trigger a notice to the Foreign Investment Review Board, who will obviously look into it.

From 1 December 2015, a $55 million threshold, based on the value of the investment, for direct interests in Australian agribusinesses will be introduced. We have a good record in this space. I know when Archer Daniels Midland wanted to take over GrainCorp in 2013 that caused a huge amount of consternation in my wheat belt electorate of the Riverina. My father and his father before him had virtually paid for the silos and they felt, as did many other farmers, that they had also put a good investment down on the rail lines going to those silos. They questioned why an American company with, might I say, not the greatest corporate record, was able to come in and just absolutely take over. In that case, our farmers would have been left with their grain price being determined by a boardroom in Illinois, by Americans who would care not for how much wheat was grown in Australia or for the price that was going to be paid to our great Australian farmers.

Increased transparency on the level of foreign ownership in Australia through a comprehensive land register is also part of this legislation. An agricultural land register with information provided directly to the ATO by investors was established from 1 July this year. The government is in negotiations with states and territories to use their land titles data to expand the register to include all land, including residential real estate. Queensland is one state which actually has good records but, unfortunately, other states do not keep as good a record as they should. Comprehensive modernisation of the foreign investment legislation to reduce system complexity and compliance costs for investors is also part of this legislation.

For those listening, I will just give a snapshot of a couple of good rural towns within my electorate—the first being Temora shire, the mayor of which is Councillor Rick Firman OAM. The agricultural production in Temora shire to the financial year ending 2011—so these figures are a little out of date—was worth $181.4 million. Crops were worth $141 million; livestock slaughtered and other disposals, $27.8 million; and livestock products, $12.6 million. They are big numbers. That is just one of the towns of the 13 local government areas I represent.
Leeton Shire Council, the mayor of which is Councillor Paul Maytom, is going very, very nicely. In 2012-13, the gross value of agricultural production in the Riverina region was $2 billion. In Leeton, they did particularly well, helped by the establishment of a bulk agribusiness industrial park and intermodal facility at Wumbulgal, 30 kilometres west of Leeton. Capital investment on site over the next two years includes $40 million confirmed with another $42 million potential. This would translate to 586 jobs during construction and 146 full-time equivalents during the steady rate. This investment will remove over 34,000 vehicle movements onto rail.

The establishment of Walnuts Australia processing facility 10 kilometres north of Leeton at $4.2 million combined with 700 hectares of walnut trees represents a new industry to the shire worth $12 million. Walnuts Australia employs 55 staff in peak seasonal times and has a strong export focus.

Award-winning Southern Cotton is a $20 million investment by a group of farmers who continue to improve efficiencies and operations at the Whitton cotton gin. The gin processes 200,000 bales—that was the 2015 season—employs 52 staff at peak season and supports the trucking industry, farmers and agronomic services. It is not just the actual site, facility or the plant with all of these establishments; it is all the direct and indirect benefits that it brings to not just the particular shires like Temora or Leeton but the whole Riverina, the whole state and indeed the nation. This legislation is so important, because these agribusinesses cannot and should not be just taken over willy-nilly by a foreign investor without the Foreign Investment Review Board, the government and the Treasurer of the day having a say in it.

JBS Swift continued investment improvement at Riverina Beef in Yanco’s premium product has recently yielded gold and silver medals as well as overall champion in the grain fed class at the Sydney Royal Fine Food Show Branded Beef Awards. The company’s flagship, Riverina Angus, was awarded gold. They are going very nicely. They are a good company that took over from a Japanese company, and I appreciate that that is foreign owned, but they are bringing benefits and jobs to Leeton Shire and to the wider Riverina. They bought the place the right way. They bought the place, kept those jobs going and then increased the number of cattle from a few thousand to upwards of 55,000 head. The Wagyu breed is just about to go into that facility, and the first kills are expected in coming weeks.

Look at freight in Leeton. Annual yearly containers exported from Leeton number 18,000 20-foot-equivalent units. That is remarkable. Inbound and outbound containers to and from Leeton per year are 36,000 TEU. They are big numbers, and that is why we need to ensure that we protect at every opportunity that agriculture and those farmers to make sure that we do not have foreign investors coming in, buying up huge tracts of land, knocking down the fences and wiping out all the family farms that have made the Riverina great.

I quote from the February 2014 article in the Australian Farm Institute publication. It said: Australia is selling off the farm to foreign investors, and won't be able to feed itself in 20 years. That is pretty damning. That is a pretty stark sentence. It says: While anyone with a reasonable knowledge of Australian agriculture would immediately dismiss a statement such as this as pure fantasy, there has been plenty of media stories running these lines over the past 12 months, and it is an issue of increasing concern to voters. In fact a recent Essential Report (2013) survey found that 55% of Australians are opposed to the sale of Australian farm land to foreign investors, and only 22% are in favour, with the rest undecided.
The article examined the role of foreign investment in Australian agriculture and talked about some of the issues which were creating unease amongst people—not just people, I have to say, in country areas but, indeed, people in city areas as well. I hasten to add that I sometimes think that people in metropolitan areas—certainly the Greens—have no concept. I should say little concept in the case of some and absolutely no concept when it comes to the Greens for what goes on outside the bright city lights of Melbourne, Sydney and Brisbane. That is why this Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 is so crucial.

It is not just perception. The Farm Institute article talked about the fact that we would not be able to feed ourselves in 20 years, because the farmland would have been bought up, our markets would be dictated to by foreign boardrooms and, quite frankly, we would have very few farmers left. But this legislation prevents that. This legislation stops that and will bring some comfort and certainty to the many people who do get concerned when there are reports that our real estate agents are out in Asia, the Americas and Europe selling up all the farmland. This legislation will bring the $252 million for farmland back to $15 million cumulative and $252 million back to $55 million for agribusiness.

The member for Hunter is not in favour of this legislation. He has never been in favour of it and calls xenophobic the fact that we are introducing this legislation to the parliament. He is more in favour of there being a $1 billion threshold. I heard him, as the member for New England, the Minister for Agriculture, was talking about this particular legislation and other topics earlier today, just haranguing him over the desk, criticising him at every step of the way—totally unnecessary.

The people of Australia know that the sensible people are in charge of this government, and we showed that this week when there was a prime ministerial change. The Nationals got on board with a very good suite of measures that are going to benefit regional Australians. This particular legislation before you was something that the National Party fought hard for and introduced through the proper cabinet processes. That is why it is on the table here today. That is why we are debating it. The suite of measures that we have been able to negotiate with the new Prime Minister, the member for Wentworth, this week will see very important programs rolled out for regional Australians, for stay-at-home parents and for regional mobile phone black spots. They are good policies.

Of course, there is also moving water from the environment portfolio into agriculture, and that is so very important because we need the elixir of life to be able to grow all the food and fibre that I talked about earlier. We need our farmers—Australian farmers—to have the safety, security and knowledge that their farmland will be protected for them and for the generations to follow. It will be farmable by Australians with water in the agriculture portfolio because the Nationals along with the Liberals understand how important regional Australia is, understand how important agriculture is and understand that there is a very bright future for farming in this country.

Mrs WICKS (Robertson) (17:58): I also thank the parliamentary secretary for his contribution. I am pleased to be able to rise in support of this important package of bills: the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015. This legislation implements the government's firm commitment to strengthening Australia's foreign investment framework to build on the
integrity of our foreign investment framework and ensure that Australia maintains a welcoming environment for investment that is in our national interest.

The coalition government wants to increase scrutiny and transparency around foreign investment, reduce red tape and ensure that Australia is open for business, and this package of legislation helps do just that. It is about making Australia's foreign investment framework more modern, simpler and better targeted to changing demands and the expectations of communities like ours on the Central Coast. Of course, we want investment that boosts Australia's economy, creates new jobs and unlocks innovation. We welcome investment because it provides additional capital for economic growth, it provides employment opportunities, it improves consumer choice and it promotes competition. It can also lead to new technologies and infrastructure by allowing access to global supply chains and markets, enhancing our skills base. Simply, without foreign investment, Australian production, employment and income would be lower. But we need greater certainty and clearer legislation.

These bills represent the most significant overhaul of the Foreign Acquisitions and Takeovers Act since its introduction 40 years ago. I understand this issue was raised through the work of the House economics committee, which looked at the issue of a lack of compliance and enforcement of residential real estate rules, which was potentially undermining the overall integrity of the foreign investment framework. But before I go into detail about what this package of bills means, I would like to acknowledge and share with the House some of the many letters I have received from members of my community on the Central Coast. In recent months many people on the Central Coast have raised with me their concern about the house prices we are seeing in our region. For so many of us—not only on the Central Coast, but indeed right around Australia—the great Australian dream has always been to own our own home. But I know many parents are asking: how do we make sure that our kids can afford it? They see some of these house prices, they see some of the challenges and they watch their children trying to raise a deposit for a home price that seems increasingly out of reach. As somebody who has recently purchased a home on the Central Coast, I too have watched the house prices increase, even over the last couple of years.

But young Coasties are increasingly asking: how am I going to buy my own home? We know the house prices we are seeing, particularly on the Coast, are of course because people see the incredible attractiveness and the uniqueness of the region I live in. I think it is one of the most beautiful places in the best country in the world to live in. I spoke on air about this issue with the Sea FM breakfast radio team, Byron and Kristie, a little while ago. It was clear from the chat we had then that this conversation about housing affordability and owning your own home on the Central Coast is a really important conversation to have.

What are people in my electorate saying to me? Patrick and his family, from Daleys Point, wrote to me saying they have urged the government to act on this issue in the best interests of people. Lyn, from East Gosford, said the government should move quickly, and that her search for a home on the Central Coast had become, in her words, 'heartaching', because she felt she could no longer compete. Brendan from Tascott said to me—bluntly, but quite respectfully—that the ability of every Australian to own their own home is fast disappearing. Geoff from Koolewong said he wanted the government to use all its resources to check that purchases are above board. Terry at Phegans Bay said simply: 'This is a fundamental matter
for my children and my grandchildren,’ which is why he saw it as so important. So it is great to report to my constituents and, indeed, to people on the Central Coast, that not only are we debating these important measures today but we are already seeing our approach working. While we recognise that many factors contribute to inflated house prices, illegal foreign ownership of residential real estate is undoubtedly one of those many factors, and the government is pleased to be clamping down in this area.

I am advised that this morning there has been an announcement—the Australian Taxation Office is now investigating over 500 residential properties held by foreign owners, including multi-million dollar homes purchased by students with no income. The properties now under investigation are believed to have a total value of more than $1 billion, and I am advised that the Treasurer has signed several further divestment orders for properties ranging in value from $265,000 to $8.1 million. The foreign investors who are involved either purchased established property without Foreign Investment Review Board approval or had approval but their circumstances changed, meaning they were breaking the rules.

This is practical, significant change that we are seeing in action. Our approach will be further strengthened by this package of bills we are debating today. We are doing this so that everybody plays by the rules and, to ensure that there is integrity in the system, we need to do better at compliance. This package of bills introduces additional and stricter civil and criminal penalties to ensure foreign investors and intermediaries do not profit from breaking the rules. The Australian Taxation Office will be handed the responsibility for regulating foreign investment in residential real estate, which will further enable stronger enforcement, audit and compliance of the existing rules. The bill enables the lowering of screening thresholds for investments in agriculture to ensure significant investments in this sector are scrutinised. We are introducing fees on all foreign investment applications from 1 December this year which will make sure taxpayers are no longer funding the administration of the system, while providing additional resourcing to Treasury and the Australian Taxation Office to improve service delivery for investors.

To complement these changes we are establishing a register of foreign ownership. Again, this will be operated by the Australian Taxation Office. I am advised that the government has provided $47.5 million over four years to the ATO for this process, unlocking the tax office's ability to cover more than 600 million transactions annually. And it has already been shown to be working. I am advised that, since May, over 3,000 pieces of information relating to suspected breaches have come to light via data matching with third party sources including the Foreign Investment Review Board, Immigration, AUSTRAC and state and territory land title offices. Through the information provided by the public, together with our own inquiries, we now have 481 cases under active investigation. Foreign investors will also be required to register essential information about their existing holdings and subsequent acquisitions of Australian agricultural land. This will deliver greater transparency around foreign investment in agriculture.

I am advised that industry consultation has occurred throughout the policy development process and the drafting of this legislation, including releasing exposure drafts of the relevant bills.

On top of the new compliance powers we are giving to the ATO and additional powers being given to the Foreign Investment Review Board, the government are ensuring that
Australians can have confidence that our foreign investment framework will be effectively enforced. I am pleased to be able to say that the government has already taken active steps to enforce the existing rules and act decisively on foreign investment breaches.

Criminal penalties will be increased from $90,000 to $135,000 for individuals and will be supplemented by civil pecuniary penalties and infringement notices for less serious breaches. Third parties like real estate agents, migration agents, conveyancers and lawyers who knowingly assist a foreign investor to breach the rules will also be subject to civil and criminal penalties.

Our approach also includes an amnesty period to encourage those who are in breach to come forward and self-report. Part of this is a reduced penalty period for foreign investors who come forward and self-report noncompliance before 30 November this year.

This bill also implements the government's commitment to lower the screening thresholds for investments in our agriculture. Since March, the screening threshold for foreign purchases of agricultural land has been lowered from $252 million to $15 million. The government is also introducing a $55 million threshold for direct interests in agribusiness from December.

This is a very important issue for many people in my electorate. I have had many conversations with people at 'listening posts', when I am out talking to members of my community in my electorate; when I talk to people over the phone; and when I speak at meetings around my electorate. I have to say that there is very strong support for what the government is doing in relation to this. I am very pleased to say that next month we will be holding a very important forum on this particular topic in my electorate.

In conclusion, I want to stress that we do want to see investment in Australia. We want Australia and Australian businesses to be able to grow, to thrive, to prosper and to succeed, and we want our Australian businesses to be able to create even more jobs and more opportunities for our future. May I just say that that is why I support the government's important China-Australia Free Trade Agreement. Under this landmark agreement, more than 95 per cent of our exports to China will become entirely duty free. This applies to wine tariffs of up to 30 per cent, beef tariffs up to 25 per cent, seafood tariffs to 15 per cent, dairy tariffs of 20 per cent and tariffs on our lamb, our cheese and our services, as well as our resources. For the minerals sector, for example, including the elimination of all coal tariffs, it is a boost of around $600 million.

This export agreement with China means more jobs and more growth for Australia—and for my electorate of Robertson and the Central Coast region—for decades to come. It delivers access for Aussie exports to this immense market, the biggest in Asia and home to 22 per cent of the world's people, yet Labor and the CFMEU persist in an ill-informed scare campaign. But I am pleased to say that people in my electorate do not buy this scare campaign. People in my electorate say to me overwhelmingly that the No. 1 issue they see is the opportunity to provide more local jobs, more opportunity for our young people and more opportunity for the 30,000 commuters who leave early every morning and return home to their families late at night from Sydney or Newcastle because that is where currently they find the job opportunities. I know that; my husband is one of them. So I am really passionate about opportunities to create more local jobs in my electorate on the Central Coast, and I have to say that the China-Australia Free Trade Agreement does just that. I commend these bills to the House.
Mr ROBB (Goldstein—Minister for Trade and Investment) (18:11): In speaking to this legislation, the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015, could I compliment the member for Robertson on her presentation here this evening and endorse, 110 per cent, the comments about the China-Australia Free Trade Agreement. It is going to dramatically improve our ability to access a market of 1.35 billion people. It is the best deal that China has ever done with any country. It is the best deal that Australia has done with any country. And it will set Australia up for the prosperity and the jobs that people in Australia should expect, given the growth and the tremendous opportunities that are emerging on our doorstep.

I am pleased to speak on this legislation because I am the minister for both trade and investment, and, of course, foreign investment is a fundamental part of Australia's economic lifeblood. For all of our settled existence since the first arrival of boats, we have relied on foreign investment. As a country, we have thin capital markets. The great quality of life that we enjoy as Australians has been inextricably linked to the different waves of foreign investment which we have enjoyed over 200 years and which have in so many ways maintained the quality of our infrastructure and innovation and produced the capital which we have invariably not had. Foreign investment has produced the capital to continue to maintain our industries, our logistics sectors and all of those services areas at a level which is world class. That means that we maintain our competitive position, and it is one of the major reasons that over the last 25 years Australia has enjoyed uninterrupted economic growth, when so much of the developed world has been on its knees at different times during that last quarter of a century. There has been a quarter of a century of uninterrupted economic growth, and it owes so much to the fact that we have such an open economy.

The legislation introduced by the Treasurer to modernise and improve our foreign investment regime fulfils an important election commitment. Foreign investment, the injection of new money into our economy, allows us to grow by directly creating new jobs and driving up our living standards. The government knows that foreign investment is integral to Australia's economy. The ability of our businesses and industries to attract foreign investment will continue to support growth in our economy into the future. It will continue to be an important driver of productivity, growth and the creation of jobs and wealth. I recall Vestey's in the north. Foreign investment from Vestey's developed much of the early infrastructure, the cattle yards, the abattoirs and the roads that were built in many areas.

Mr Katter: They bled us white!

Mr ROBB: A lot of the things that the member for Kennedy now enjoys, with the people in his electorate, farmers and others, grew out of some of the original foreign investment in this country, and there have been many waves of foreign investment since. However, competition for foreign investment has intensified. Australia is competing with many other investment-hungry countries. Countries in our region are increasingly successful at attracting investment. Australia has been very successful at attracting investment in our mining and resources sector. With investment in this area easing, we have got to intensify and focus our attention on making Australia a more attractive destination. We have been blessed with the investment over the last 15 to 20 years and the thousands of jobs created in every part of Australia, because the investments in the north-west, the north-east and the north in mining,
resources and energy projects have flowed through to so many parts of urban Australia. So many of our small and medium sized service suppliers have had a part of all that action, and we have enjoyed the hundreds of billions of dollars of tax that have flowed. Almost all of it has come because of foreign investment. It is where the jobs have been created. No-one can deny that. No-one can deny the fact that jobs, by the tens of thousands, have come from the foreign investment that we have been blessed with over the last 15 to 20 years. Now that the construction phase is finished, sure, prices have come off somewhat, but we have got decades and decades of supply contracts that will underpin so much of the prosperity in our country, all flowing largely from so much of that foreign investment, combined with the ingenuity, the skills and the ability of Australians to make these things happen.

Over the decades there has been some tinkering in the foreign investment rules, but no significant revisions have been made to our foreign investment policy framework since the 1970s. It is high time to update the framework. The government is streamlining the processes, doing away with red tape and updating requirements and systems. This will save business time and money and, in doing so, will continue to safeguard our national interest. The broader national interest is at the heart of the government’s actions. The bills introduced by the Treasurer strike a good balance. The reforms will streamline our foreign investment regime into a robust framework that provides clarity to investors, to business and to the community. There are so many options for foreign investors. We need to have this clarity, we need to have the certainty and we need to have the consistency that allows them to invest here with confidence and not be confused or find themselves overburdened with many layers of different requirements, in terms of approval and otherwise, with their foreign investment.

The reforms will remove routine investment cases from the system and allow a greater focus on those investments that require closer attention. The reforms improve the alignment with takeover rules in the Corporations Act, raising the substantial interest threshold from 15 to 20 per cent. This means that foreign investors will not have to apply for approval from FIRB until their interest reaches 20 per cent. That will be the same threshold that applies in the Corporations Act where takeovers are considered. It is common sense, but it has not applied for so many years. Providing FIRB with the ability to extend the time to consider more complex deals that have not yet been publicly announced, without requiring them to be prematurely announced via public gazette, is a long-overdue and sensible change that will be welcomed by the business community. The reforms will also remove investments in financial sector companies from the framework, as approvals for such transactions are already required by the Financial Sector (Shareholdings) Act. Removing doubling-up makes sense, it is cheaper and it will be attractive to foreign investors. Such changes simplify and streamline our system, making it more business friendly.

We have heard the community’s concerns around agricultural investments, in particular, and with these reforms we fulfil our election commitment of delivering increased scrutiny and transparency. We have reduced the screening threshold for agricultural land, and we are establishing a comprehensive land register to increase transparency on the levels of foreign ownership. This will provide, for the first time, clear data on what is in reality a low level of foreign ownership across our farms—a piece of myth busting that actually helps us to make the case for foreign investment in the agriculture sector by providing the facts to the Australian community.
Under the new legislation we will strengthen enforcement and compliance with the foreign investment rules, particularly for residential real estate. Residential real estate is a special class of asset. Foreign investment in existing stock does nothing to create jobs. Australia's foreign investment regime for residential real estate aims to channel foreign investment into new housing stock, and the changes will ensure that this aim is fulfilled. From now on the Australian Taxation Office will handle compliance and enforcement issues for residential real estate. We will appropriately resource the ATO to cross-match and detect breaches, and we are giving them teeth so that Australian stand-alone housing stock is preserved for those people who live here. The monitoring of foreign investment in residential real estate—and there were over 20,000 applications of this nature last year—is an exercise in sifting through large volumes of data from land title offices and visa records, something much better suited to the ATO. This will free up FIRB to focus on more complex issues involved in a handful of business applications, speeding up response times for applicants. As part of that focus on reduced response times, we will introduce a modest fee structure to provide for enhanced service delivery.

Investors accept that they should make a contribution to the cost of processing their applications and these fees will be returned to them in greater efficiencies and streamlined processes. Let us keep these fees in perspective. The application fee will be very modest compared with the typical legal and advisory fees that businesses incur progressing investment transactions and are highly unlikely to be a deterrent for investors. In fact, removing many of the layers of doubling up and unnecessary paperwork will reduce those typical legal and advisory fees and ensure that we do fast-track many of the approvals.

We need a strong framework around foreign investment, one that welcomes foreign investment so that our economy can thrive while protecting our national interest. The government is very strongly committed to opening Australia for business and encouraging foreign investment within a framework—and this is important—that protects our national interest.

The legislation introduced will help ensure Australia remains an international investment destination. The reforms will modernise our system so that we can continue to prosper from the technology and innovation that foreign investment offers. In a world where there is still an enormous uncertainty, economically and politically, you find that the world is awash with cheap money because of the huge budget deficits that many countries have run but it is also awash with very nervous investors and they are looking for safe havens. These investors are looking to put their money into long-term investments where they are going to see even a modest return and at least their money will be safe. Australia, in that sense, is highly attractive to so many around the world. We have to make ourselves even more attractive.

This bill helps to streamline a lot of the application requirements and other provisions, and it will make us not only safe haven from legal and other points of view but it also will mean that we are attractive and competitive in chasing investments from other parts of the world. The government is committed to continuing our work with business and industry—large and small—to improve the investment environment, to increase the ease of doing business in Australia and to promote Australia as the investment destination for businesses seeking a base from which to capitalise on the spectacular opportunities emerging around our region as a result of the explosion of the Asian middle-class.
Mr KATTER (Kennedy) (18:24): I want to be very specific when I talk about the grand
generalties of 'we are going to get foreign investment' and 'we are going to set the place
alight' and 'we are going to attract investment from overseas'. Well be specific, back up your
rhetoric with some specific examples. I constantly interjected on the minister asking him to
give me some examples of all this wonderful foreign investment and what it has done for
Australia because I am damned if I can see it.

There was a study done in 2006. It said that only 11 per cent of the surface area of
Australia was owned by foreign investment, only 11 per cent. The last speaker, the minister,
seemed to think it was a good thing that Vestey owned all of our country. Lord Vestey did
own two per cent of Australia. Apart from supplying cattle to some of my people in
Cloncurry—he did not do that voluntarily, by the way—I cannot think of any reason in the
world why anyone would thank or praise Lord Vestey. In fact the government of Queensland
built three public abattoirs to break the stranglehold of Lord Vestey on the beef industry of
Australia, which figures prominently in Philip Knightley's book, The Vestey Affair. I would
strongly recommend that the minister, instead of coming in here and making statements which
only indicate his towering ignorance, reads Phillip Knightley's book and how Vestey paid the
Argentinian beef growers nothing and paid the Australian beef growers nothing until we
broke his hold by building public abattoirs in the state of Queensland.

Eleven per cent does not sound like a great amount of land. But then I discovered that 53
per cent of the surface area of Australia is on the world register of deserts. I would not have
thought Australia was 53 per cent desert but anyway that is the figure. It is from National
Geographic—I can give you the reference. Twenty-three per cent of Australia is supposedly
owned by the First Australians. Identifying myself on occasions as a First Australian and
speaking on our behalf, we do not own anything because we cannot get a title deed. Twenty-
three per cent of Australia is sterilised because we cannot get a title deed so we cannot borrow
money, so we cannot buy cattle, so nothing can be done with it so it just sits there lying idle. I
might add that almost all of the 23 per cent is the top third of Australia, which, if it were a
separate country, would be one of the wettest countries on earth. There is no lack of water in
the electorate I represent, I can assure you. A further seven per cent is national parks. So
seven per cent is national parks, 23 per cent is sterilised because of the unwillingness of
government to give title deeds out, so that is 30 per cent, and 53 per cent is desert so that is 83
per cent.

But of the 17 per cent that is left, 11 per cent is owned by foreigners. Let me just repeat
that very slowly: 53 per cent is desert, 23 per cent is owned in a way that you cannot get title
deeds—so you cannot use it—and seven per cent is sterilised, not by lack of title deeds but as
national parks. Thirty per cent and 53 per cent is 83 per cent, which leaves you with 17 per
cent. And of that 17 per cent, 11 per cent is foreign owned. That was in 2006. I am pleased to
see the member for the Murray River areas sitting over there because she is well aware of
how much of her country and homeland has been bought by foreigners.

At Mount Isa Radio, I was told that Bobby Holder wanted to see me. I said, 'What does
Bobby Holder want to see me for?' They said, 'Does it matter?' The implication was that
Bobby Holder is a legend in his lifetime. He is 83 years of age and he is still competitive and
winning roping contests. Instead of being the header, which is the easy part of roping; he is
the heeler, which is the difficult part. You come out at a hundred mile an hour on a horse
doing a flat gallop, and you swing a rope and try to pick up the back foot of the animal. Most of the time, Bobby Holder does it. This man is a legend.

Bobby Holder is also famous for something entirely different. He has sold more agricultural property than anyone else in Australian history. He knows more about the selling of agricultural land in this country than anyone else in this country. He said to me: 'What's going on in rural Australia? What's happening?' I said: 'They're all going broke, Bobby. That's not any news to anybody.' He said, 'So when they go broke, what happens?' I said, 'What do you mean?' He said, 'Who do they sell it to?' I said: 'You know Australians cannot make any money out of agriculture, so it is all getting sold to foreigners. They haven't woken up yet that we can't make money out of agriculture in Australia.' He said, 'What's your mob down there in parliament going to do about it?' I said: 'Nothing, they're not Australians; they're globalists. They don't believe in the Australian interest. They believe that big corporations should be allowed to trade freely and that that will save Australia. I can't see any logic in that, but maybe there is some logic and, as a dumb country boy, I can't figure it out.' I said: 'Bobby, what do you reckon should happen? Let's just say there was someone down there who cared about their country. What should I tell them?' He said: 'Get the government to buy them. Buy the land and lease it back to them.'

Grant Fawcett, a man whose intellectual capacity I have great respect for, of DJ Partners and CEO of Southern Gulf Catchments, has a proposal that we set up a corporation funded with government guarantees out of superannuation moneys to buy the farm and lease it back to these poor people who have been there for five and six generations. Some of them are not even settlers—and there have been some terrible instances of them doing away with themselves; I do not use the s-word anymore—they predate the settlers. They descended from an explorer family. They were explorers not settlers.

If we want to solve the problem of foreign ownership then the first thing we have to do is make agriculture in this country profitable. To do that, we have to get in step with the rest of the world. We keep getting preached to in this place about free markets and level-playing fields. I do not where the hell the level-playing field is! The Australian dollar has been propped up by interest rates a thousand per cent higher than the rest of the world.

As I said to Glenn Stevens, and I appreciated Glenn's time: 'I was the minister responsible for the State Bank in Queensland and if we were 50 per cent out of step with the banks in some division, I would want the CEO in to explain to me why we were 50 per cent out. If we were a hundred out, I would sack him. He wouldn't be given a chance to explain any damn thing; he'd be thrown straight out a window! If it was a thousand per cent, I would personally jump out the window.'

Our interest rates are a thousand per cent higher than the rest of the world. The rest of the world has been on an average of 0.23 per cent, whereas for the last couple of years Australia has been on an average of 2.6 per cent—a thousand per cent difference, a thousand per cent out of step with our trading partners. Bring interest rates down to where they should and the dollar will go to where it should be, which was 49c when it was allowed to free-fall under Keating—and then for reasons best known to him, he propped it up. Mr Costello came in and did the right thing, initially, and allowed it to free-fall and it went to 51c. Surely, it should be clear to everybody that in a buoyant economy, the Australia dollar was only worth 49c and 51c. Well, we sure ain't got a buoyant economy today.
Our two export-earning items, iron ore and coal, as everyone is well aware, are both on the ropes. Our manufacturing industries are vanishing; 72 per cent vanishes with the car industry. So we have mining in deep trouble, we have no manufacturing, we have to buy all our petrol from overseas and we are buying nearly 40 per cent of our food from overseas. It will be rather interesting to see how we can continue to do this—all our whitegoods from overseas, all our petrol from overseas, all our motor cars from overseas. Nearly half of our cement and the iron and steel are used in houses—corrugated iron roofing et cetera—come from overseas.

The Australia dollar is the No. 1 problem that we have to fix up. It is very simple: just bring the interest rates in line with the rest of the world. Do what they are doing. We can assume that we are the only clever people on the planet and that Europe, the United States, Japan and Brazil are all dumb; that we are 'Mr Cleverness' of the planet.

There is the little matter of subsidies and tariffs. Heaven only knows how many times we get preached to in this place about subsidies and tariffs. It was a pity that the likes of the minister did not go and preach it to the other countries, because the last OECD report that was done—it think it was 2007 or 2008—talked about the average support levels, which are basically subsidies and tariffs, and that 40.1 per cent of a farmer's income throughout the world comes from the government via subsidies, tariffs, grants et cetera. In Australia, it is 5.6 per cent. If we are betting that our farmers are 34 per cent better than our competitor nations then we will win. If they are not, then agriculture in this country must fail.

Finally, unlike any other country on earth, the Americans are squealing blue murder because Costco and Walmart have 23 per cent of the food market. Woolworths and Coles have around 90 per cent of the food market. There are only two companies you can sell food to in Australia and only two companies you can buy it from.

If you fix up those three problems, you will not have to worry about foreign ownership of your country. For those who are not worried about more than half of Australia's arable land being in foreign hands, think about this: are you really an Australian?

Mr Pasin: I am.

Mr KATTER: Are you? The gentleman over here says he is pretty sure he is an Australian. But why wouldn't you bring your dollar into line with the rest of the world and look after your own country? Why wouldn't you do that? Why wouldn't you do something about Woolworths and Coles when you know they are murdering agriculture in this country? Why wouldn't you do that if you are an Australian? Why wouldn't you bring our subsidies and tariffs into line with every other country on earth if you are an Australian? It is because you are not; you are a globalist.

The minister spoke about foreign investment. I happen to be an expert in that field—because I was the mines minister in Queensland. I was in a government that was the most mining oriented and development-achieving government in Australian history. We did not build the mining industry with foreign investment. It was built with our money. We borrowed the money. We borrowed the money to build the biggest and most efficient power station in the world. That gave our fellow Australians the aluminium industry, because aluminium is about 40 per cent bauxite and about 60 per cent electricity. We produced the cheapest electricity in the world. We were not into this free market and be fair to everybody business. We were out there for our people to win. That is what we were about.
We were not too worried about taking two per cent of the coal from the mining companies. It was called a reserve resource policy which every country on earth—except us—has. We took two per cent of their coal for free. We had this giant power station and we could produce the cheapest electricity in the world. Australia now—have a look at the register—has the second highest electricity costs in the world after West Germany. We have gone from being the cheapest in the world, in Queensland, to being the second most costly.

Let me go back to foreign investment. It was not done with foreign investment; it was done with the money of the Queensland government. They built the port of Gladstone. They built the railway line into the coalfields to open up the coal industry in Australia. There was no foreign investment involved. The miner we were looking after was Thiess, an Australian mining company. *(Time expired)*

**Dr STONE** (Murray) (18:40): I take great pleasure in speaking on the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, which is being considered together with the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015. On the issue of the importance of foreign investment for Australia, our Treasurer, Joe Hockey, said:

The Government is committed to strengthening Australia’s economy. The Government welcomes foreign investment—I add that, since 1788, Australian has been dependent on foreign investment to help build our infrastructure and to grow our economy, whether it is in agribusiness or manufacturing. Mr Hockey continue on foreign investment:

It provides additional capital for economic growth, creates employment opportunities, improves consumer choice and promotes healthy competition. It can also help deliver improved competitiveness and productivity by introducing new technology; providing much needed infrastructure; allowing access to global supply chains and markets; and enhancing Australia’s skills base. Without foreign investment, production, employment and income would all be lower.

The total stock of foreign investment in Australia at the end of 2014 was almost $2.8 trillion, up from about $1.2 trillion a decade ago. Around $690 billion of this is foreign direct investment. Foreign investment has always been essential for our economic development. We are also part of the global economy and increasingly it is a case of joint venturing and working with other corporations, or even smaller businesses—often standing hand-in-hand in the other partner’s markets with some insider status—to grow our exports.

These three bills strengthen Australia’s foreign investment framework, ensuring that ongoing foreign investment is in line with our national interest. We have always believed that to be the case, but we need to always do a check. We need to ensure that all of our foreign investment is in our national interest—and, where it is not, that our compliance regimes and our sanctions are appropriate.

Our national interest includes considerations of our national security, of fair competition, of other government policies—including tax regimes—of the impact on the economy and the community, and of the investor's character. We do not want to be the investment destination of choice for shonks. The bills will streamline the system for foreign investors. It is important, given that there is great competition globally for the investment dollar, for us to present a streamlined, reduced-red-tape regime where the investor's interests are quickly ascertained.
and where they can move quickly into an investment—if that is appropriate for our nation. We also want to make it easier to identify opportunities for investment for those who are interested, but it is in our nation’s interest to document trends carefully—what is being bought and by whom—so we can keep track at all times of what is going on in our nation.

The Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 makes substantial changes to the Foreign Acquisitions and Takeovers Act 1975. It modernises the rules and it strengthens enforcement within the foreign investment system. In particular, the bill introduces civil penalties, as well as increasing criminal penalties, for any who break the rules. It also improves the compliance enforcement regime for foreign investment—the rules relating to residential real estate—by transferring such regulation to the Australian Taxation Office. The bill also enables closer scrutiny of investment in Australian agriculture by lowering the screening threshold—in other words, at a lower level of investment we will now be able to document and track what investments are taking place and to consider those in terms of our national interest.

The Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 establishes fees on all foreign investment applications. Obviously we do not want the taxpayer to be funding an investor’s costs of participating in our economy. These measures will improve the transparency of foreign investment in Australia and, as I said, will reduce the cost burden on the Australian taxpayer.

The third bill, the Register of Foreign Ownership of Agricultural Land Bill 2015, the register bill, complements the changes by establishing a register, operated by the ATO, of foreign ownership of agricultural land. This is particularly of importance and of great interest to me as a rural member, the member for Murray. We have numbers of properties, particularly dairy farms, that have been bought by New Zealanders and by Chinese interests. While we welcome those new interests in the electorate of Murray—in particular, the New Zealanders who bought dairy farms and injected a lot of new technology and intellectual innovation—at the same time it was important and it is important that we know how many properties are being purchased, where they are and when they might be sold on, and if it is to another foreign investor.

This register will require the registration of existing foreign ownership holdings, as well as recording all future acquisitions and disposals of agricultural land in Australia. I think this is important so that we do not have people like the previous member, who was most anxious about who owns land—he had all sorts of theories about who did—and the quantities of property bought. With this register, there will not be speculation. We can simply check with the register and have the information at hand, accurate and current.

The changes build on the current regime, where foreign investment proposals are considered by the Treasurer through the Foreign Investment Review Board, or FIRB. If the proposal is not contrary to the national interest, it will be approved. This already happens in most cases. In 2013-14 there were 24,102 foreign investment proposals approved compared to half that number, 12,731, in 2012-13. Again, it is important that we know those statistics, that we know of the doubling of foreign investment proposals and what sorts of proposals were made and approved. It is in the national interest that we track this.

If the foreign investment is considered a significant action—that is, it is an action that would be above any threshold tests and would lead to acquiring an interest in securities, assets
or land resulting in a change of control, the Treasurer can then take one of three actions: he or she can decide not to object—and this happens in most cases already; he or she can allow the foreign investment action to proceed provided that the foreign investor complies with certain named conditions; or he or she can decide that taking this significant action would be contrary to the national interest and can make an order prohibiting the proposed significant action. Again, I applaud the fact that the government of the day—in this case, in particular the Treasurer—retains control of investments, particularly when considering whether or not the investment is in the nation's interests.

When considering a non-residential proposal, the Treasurer takes into account the impact of the proposed investment on Australia's national security, the economy, the community and competition. The character of the investor is also an important matter. In particular, while assessing an application for an interest in residential land, the Treasurer's overarching consideration is whether the proposed acquisition would in fact add to Australia's housing stock, which would be a good outcome for the nation. Australia has always been pressed to find sufficient housing. We have rules about stand-alone housing stock, and we are concerned to keep a close eye on the whole housing market.

There is great interest in the community about this, particularly in relation to whether or not foreign investment in residential real estate impacts significantly on the price of real estate. The government is taking action to restore confidence in Australia's foreign investment framework. In the case of residential real estate, the current foreign investment system aims to channel foreign investment into new homes, in particular, for Australians to purchase or rent. The government's changes will ensure that this aim is fulfilled and that the current rules that limit foreign investment in established dwellings are properly enforced. There is enhanced compliance and enforcement in relation to that. The government has provided $47.5 million over four years to the ATO to improve compliance and to strengthen the enforcement of the rules. The ATO has the capacity to cover more than 600 million transactions annually through its data-matching programs. The ATO matches its own taxpayer data with a variety of third-party sources, including the Foreign Investment Review Board, Immigration, AUSTRAC, banking data and state and territory land titles data. I think these are all very important initiatives.

From 1 March 2015, the coalition acted to lower the screening threshold for agricultural land from $252 million to some $15 million—that is a cumulative $15 million. I applaud very much this lowering of the threshold in examining agricultural land purchases. Of course there are exemptions applying to non-government investors from the United States, New Zealand and Chile, where the threshold will be $1,094 million.

In The Australian on 20 September last year, the rural reporter Sue Neales wrote an article about the dairy investment conference organised by Austrade and Dairy Australia, commenting on investment in Australia's dairy industry. She said:

AUSTRALIA'S $4 billion dairy industry is the new flavour of the month among foreign investors, with global pension funds, food companies and wealthy individuals turning their focus from New Zealand's fertile dairy plains towards Victoria and Tasmania … The changed focus was evident at the packed … conference … with Chinese companies, major investment banks and fund managers focused on agribusiness.

There are many investors interested in investment in Australian agriculture:
Pension funds and private equity companies from the EU, Scandinavia and the US—and Chinese investors—are also moving to buy directly or invest indirectly in farmland in Australia, believing it to be greatly undervalued compared to similar dairy farms in New Zealand.

The article says:

… China's Ningbo Dairy Group … vice-president Harry Wang said … "Our goal is to export our milk back to China and help the industry here too … There is huge potential in Australia but you have problems with too many dairy farmers being too old, young people not wanting to work on your farms and your farms being too small; I think that is why your quality is good but your production levels are slipping."

… … …

There is also resentment towards NZ's changed laws relating to foreign investment, which now require any purchase of a farm greater than five hectares by a foreigner or foreign entity to get the approval of the government's Overseas Investment Office.

So you can see there is enormous interest in Australian agribusiness. It is moving well beyond the traditional European interests, and in my electorate of Murray we have seen that investment. It has not always worked out well for the investors, particularly when they were caught by the drought or the very high dollar when it came to their exports, but as a whole this adds very much to the information and to the diversity of our production systems.

These bills also introduce a $55 million threshold based on the value of the investment for investments in agribusiness. The threshold will capture certain downstream activities with links to primary production. Agribusiness is defined to include some downstream manufacturing in meat, poultry, seafood, dairy, fruit and vegetable processing, sugar, grain, oil and fat manufacturing. There are exemptions from this threshold for non-government investors from the United States, New Zealand and Chile, for whom a threshold of $1,094 million applies, and from Singapore and Thailand, where the threshold is $50 million.

This is a new dimension. It has caused some worry for some in food manufacturing in my electorate, who worry that extra red tape is then going to reduce prospects for their investors and perhaps cool their interest. We have to assure those manufacturers that, with the capturing of agribusiness in these bills, it will not be more complicated and we will not frighten away investment. In fact, under this new regime it will be more transparent and streamlined for them and, if they are looking for investment in their manufacturing, it will be more possible for them to attract international investment. There has been a lot of industry consultation throughout the policy development process and the drafting of this legislation, including releasing exposure drafts of the relevant bills.

In conclusion, it is most important that we do not stifle foreign investment in this country. It is a highly competitive market. Different countries compete to have foreign investment. We at the same time, of course, want to have a very good system of registering who is buying where and ensuring that it is always in the national interest. I commend these bills to the House, and I recognise the very good work done by members who have worked hard to bring them to fruition.

Mr PASIN (Barker) (18:55): Before I make my contribution in respect of the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural
Land Bill 2015, I want to take the opportunity to reflect on someone who I regard as my political hero. The Modest Member, Bert Kelly, was someone who argued for a globalist view in this place and, indeed, in the other place, at a time when it was an unpopular view. Indeed, the former member for Barker, the Hon. Ian McLachlan, suggested that Bert Kelly, for his services to the nation, ought to have been given a brace of knighthoods. That is why, when the member for Kennedy perhaps calls me a globalist, I like to think I can wear that tag with some honour, and I would like to take the opportunity to reflect on Bert's courage as the Modest Member. But what is lucky for me is that one can concurrently be an Australian citizen and a globalist. That was the point that Bert Kelly made in his arguments and one that ultimately won the day. I would much rather be a globalist than a protectionist. Someone might need to tell the member for Kennedy that that argument has been run and lost.

Speaking of the member for Kennedy, can I take up his challenge. I think his challenge was to identify foreign investment in this country that has been good for the national interest. What I will do is identify a couple of current investments in my electorate and then one that I am seeking to assist with which will be of immeasurable benefit to the farmers in my electorate.

The first is an investment in a mill in the small town of Tarpeena, near Nangwarry. New Forests have purchased that mill. It was part of the acquisitions as a result of the Gunns liquidation. That liquidation put in jeopardy many hundreds of jobs in my community, and if it were not for that injection of foreign capital those jobs, I am almost certain, would have been lost. So to the member for Kennedy I say: there is a rock-solid example in the forestry industry of where foreign investment in Australian agribusiness was of benefit. Another example was the now not so recent acquisition of Telopea Downs, a sprawling station not far from the South Australian border and communities such as Bordertown in my electorate. This was purchased by foreign interests, the Hassad Australia group, who not only purchased the property but then set about reclaying the property. That is a process that is incredibly intensive. They engaged local contractors, and as a result of that work the land is now much more productive and fertile and will be forevermore. So those are two clear examples which I think go some way to answering, from my electorate's perspective, the member for Kennedy's concerns.

But can I talk about a prospective investment. Very many of my electors are beef and sheep producers. Indeed, my own parents turn out a modest number of head. What we need to see—and I am sure others in the chamber will agree—is downstream processing. In agriculture, in pursuit of the national interest, we need to capture more and more of the value chain, so more and more processing facilities would be a good thing, because of course added competition drives up competition for prices at markets.

So this very week I hosted the Mayor of the City of Mount Gambier, who is a particularly active mayor and who himself had brought owners of a Chinese abattoir to Australia. Their interest in the initial stage is to get access, via the free trade agreement, to live cattle, but their long-term plan is to invest significantly in my electorate, or close to it, to establish a processing facility. I hear the member for Kennedy all the time talking about the integration of processing facilities in the protein space. This would be a novel investment in greenfield agriculture, and I can tell you that people in my electorate, particularly the farmers turning out quality stock, are screaming for those kinds of investments.
Having said all of that, can I speak to the trilogy of bills. As a candidate, there are some policy positions that you get somewhat excited about, and in the lead-up to the September 2013 election I was very keen to keep reminding the electorate that we had plans in relation to establishing a register of foreign investment. So here we are tonight, and I have my opportunity to speak on the bill that has arrived in this place. Increased transparency on all levels of foreign investment in agricultural land is an important thing. I am pleased to confirm and lend my support to this position.

The Agricultural Land Register will provide information from investors directly to the ATO. It was established on 1 July 2015. The government, as I understand it, is currently in negotiations with the states and territories to establish the register in relation to land currently held. I must say it is a bit of a disappointment of mine that that cooperation has not been forthcoming to this point, but I am sure it will be.

We are also, through the trilogy of bills, beefing up enforcement. The issue here is that there is no point having a regime underpinned by the Foreign Investment Review Board if we do not have strong criminal penalties and divestment orders to ensure that people are effectively doing the right thing.

The most important elements, in my respectful submission, of the trilogy of bills are the thresholds. As I travel around my electorate, people are concerned about foreign investment in agricultural land. They were very concerned that the level at which acquisitions would be referred to the Foreign Investment Review Board was set at $252 million. I know agricultural land is becoming more and more expensive—and for those that own it and have their superannuation tied up in it, can I say that I am pleased for them—but, even at the current rates, $252 million is an incredibly high threshold. I am much more comfortable with the new threshold set at $15 million. I am even more impressed that, in setting this threshold, we have indicated that it will be a cumulative figure. That is, if I am a foreign investor and I currently own $8 million of agricultural land and I seek to acquire another property of, let us say, an additional $8 million, it will trigger a reference to the Foreign Investment Review Board. And so it should, because but for that cumulative test we would be in a situation where people would just split up deals to the point where each deal would sit below the threshold figure, and we would be in a situation where this legislation would not operate in the way that is intended.

Of course, referral to the Foreign Investment Review Board is not a process that is cheap; nor is it a process that, by definition, means that someone who makes an application is not going to be accepted. But—back to the question of the costs of referral to the Foreign Investment Review Board—it was important to ensure that referral to that process and the costs of meeting that process were met by the applicant, and that, as well, is picked up in this trilogy of bills. We could not have a situation where the costs associated with assessing foreign land acquisition was being cross-subsidised. It very much needed to be a situation where we were ensuring a fee-for-service arrangement. So that deals with foreign investment in land.

As you heard from the member for Murray, in terms of the acquisition of agribusinesses, the rate is set at $55 million. From that, I think we can see that, as a nation—as I mentioned earlier—we are very much focused on inward investment into agribusinesses and, ideally, the
establishment of fresh agribusinesses in downstream processing to allow Australian farmers and the nation to capture more of the value chain.

I often say that, in a truly globalised world economy, the one thing that will hold back Australian agriculture is insufficient capital infrastructure and insufficient capital investment in downstream processing. In this regard, the options are twofold, by definition. That investment can come in the form of domestic, or Australian, investment, or it can come in the form of foreign investment. Given the size of the Australian economy and the size of the Australian savings pool, it is not too difficult to realise that the majority of that investment will be enticed, as it has been over the history of Australia, from overseas. We ought to be doing everything we can, particularly in this greenfield agri-investment space, to entice it. As I say, it directly connects to the ability of farmers to achieve higher farm gate prices, and, as a representative of a rural and regional electorate, I need to be focused on ensuring my constituents get more and more for their product at the farm gate.

These are bills that I am excited about. They are reforms which are important. They are reforms that have been called for from across the agricultural spectrum, and they will assist this nation in pursuing its national interest. The coalition understands the opportunities that a truly globalised economy provides for Australia. Bert Kelly understood it, Ian McLachlan understood it and I understand it. That is why it disappoints me—

Mr Champion: You’re no Bert Kelly, mate!

Mr PASIN: True, I am not. If you were here earlier, Member for Wakefield, you would know that I indicated that he is in fact my hero. I would love to be half the man he was. He was someone who had the courage to come into this place and argue against protectionism when, quite frankly, it was not the popular cause du jour that perhaps globalisation is today.

Member for Wakefield, I wonder what Bert Kelly would think about Labor’s current approach to the free trade agreement with China, ChAFTA. He would be sidling up to Bob Hawke and Bob Carr and doing everything he could—whether it was by anonymous letters to the paper, signed off ‘modest member’, or any other way—to dissuade you from your course. He knew a very long time ago—and you should have learned the lesson by now—that the economic future and security of this country was tied directly to trading with the rest of the world.

I have the privilege of sharing a border with the member for Wakefield. When the member for Wakefield goes to the Barossa, I would like him to speak to some of the producers in the Barossa and say to them that he does not want them selling wine to China, that he does not want to encourage the sale of wine from the Barossa into China, and that he thinks that is a bad thing. I know he does not think that is a bad thing. He is far too sensible for that—and I cannot believe that I have made that concession—but, unfortunately, we have too many people in this place on the other side who come here effectively tied umbilically to the union movement. Today there was a letter in the Border Watch, of all things, in the Mt Gambier paper from Brad Coates, lead organiser for the CFMEU, saying that trade with China is a bad thing. Please; our future is tied up with Asia! Our future is about exporting to Asia. The prosperity of farmers throughout Barker is tied to that. The member for Wakefield knows this. I know it, Bert Kelly knew it and Ian McLachlan knew it. I hope when the member for Wakefield next visits a winery in the Barossa he confirms for them that he knows it.
Mrs ANDREWS (McPherson—Parliamentary Secretary to the Minister for Industry and Science) (19:10): I rise to speak on the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015. I am very pleased to speak in support of this package of legislation. Upon our election just over two years ago the government declared that Australia was 'open for business'. Since then, we have set about ensuring that we are indeed a nation that encourages innovation, investment and growth.

Foreign investment has been an important source of economic growth over many years. It helps create jobs, boosts our competitiveness in global markets and provides infrastructure and greater consumer choice. That is why it is crucial that our foreign investment regulatory system is simple, transparent and in the national interest. It should also be enforceable to ensure compliance. This package of measures delivers certainty and clarity to the foreign investment framework—and that is really what investors are after. Each nation is entitled to set and enforce foreign investment rules. What makes this package a plus for foreign investors is that it will ensure we have a predictable and robust system that welcomes investors and clearly sets out their obligations. I think most Australians would be surprised to know that our foreign investment rules have not been significantly revised since they were first introduced in 1975. The world has certainly changed a great deal in the past 40 years, particularly in the way we access and retain information.

The coalition promised before the 2013 election that we would lower the screening thresholds for foreign investment in agricultural land and agribusiness and create a register of foreign ownership of agricultural land. We deliver on that promise with this package of bills. As announced in February this year, from 1 March 2015, foreign investors must obtain prior approval for a proposed acquisition of an interest in rural land where the cumulative value of the rural land owned by the foreign investor, including the proposed purchase, is $15 million or more. This is a significant reduction from the previous threshold, which was $252 million.

The government is also establishing a foreign ownership register that will start collecting information on existing foreign ownership and subsequent transactions of all interests in agricultural land from 1 July 2015. The government will work with the states and territories so that the register will ultimately use land title transfer information from existing state and territory land title collection processes. This will remove duplicative registration processes for property owners.

This package also introduces a new $55 million screening threshold for foreign investment in Australian agribusinesses. These thresholds will provide greater scrutiny and transparency of foreign investment in our agricultural industry, which we know is more reflective of community expectations. I want to stress that this simply means that smaller acquisitions will face the same scrutiny and the same national interest test as larger acquisitions. It also means that we will have a clearer record of the cumulative nature of foreign investment in agriculture. We believe that such transparency is a positive thing and will help ensure community confidence in the system and, therefore, support for our foreign investment regime.

To that end, these bills were preceded by a very lengthy public consultation process. There were full public consultations in February and March through the release of an options paper titled 'Strengthening Australia's foreign investment framework'. There were 192 submissions...
received from individuals, peak bodies and other stakeholders. In May there was consultation on the Modernisation Options Paper and another 22 submissions. The exposure draft of the legislation was open to consultation in July and further submissions received.

We have been very careful to ensure that a range of views were canvassed and taken into consideration. There is of course a wide range of views when it comes to the issue of foreign investment. I note that many of the submissions by individuals argued against allowing foreign investment. In contrast, other stakeholders, including business groups and peak bodies, argued that the framework should be careful not to discourage foreign investment.

This package of measures gets the balance right. As I said at the outset, foreign investment is hugely beneficial to our economic growth and therefore contributes to the standard of living we all enjoy. I know that on the Gold Coast foreign investment has been an important part of our growth and helped create the infrastructure that underpins our tourism industry.

The Gold Coast economy is set to leverage its advantage internationally with the significant city projects and legacy prospects created by the Gold Coast 2018 Commonwealth Games. Gold Coast City's economy is well placed to cater for a shift in international trade partners from the manufacturing sector to an increase in service exports focusing on education, tourism and other knowledge based industries.

We know that stimulating direct foreign investment and business attractions on the coast will be dependent on the successful showcasing of our region's competitive advantages—of which there are many. Investment around key infrastructure areas such as the city's new central business district in Southport, the light rail corridor, and the health and knowledge precinct in my electorate are all key focuses in the City of Gold Coast's international plan and the city's economic development strategy.

I also note that the Gold Coast is leading the way when it comes to foreign investment in residential property, which of course is a boost to local jobs through our local construction industry and the many attendant manufacturing industries.

In 2013-2014, more than $238.3 million was spent by foreigner property investors across the Gold Coast in 377 separate transactions. This was far greater than other South-East Queensland local government areas—with the Sunshine Coast at $8.9 million, Noosa at $11.4 million and Logan at $9.4 million. And while the purchasers came from 28 different countries in regions all around the world, do you know where the largest group of investors came from? China. In fact, Chinese property investment on the Gold Coast was worth $148 million—more than half the total foreign property investment.

This is yet another reason why that Labor's continuing opposition to the China-Australia free trade agreement is nothing short of appalling. Clearly, there are some differences between federal Labor's view and state Labor. Labor leaders from New South Wales, Victoria and South Australia support the agreement. They recognise how much it will benefit Australia, as do businesses and other community leaders, including former Labor luminaries Bob Hawke, Bob Carr, Simon Crean and Martin Ferguson.

As Jennifer Westacott from the Business Council of Australia said:

ChAFTA will take investment into Australia to another level, making our economy stronger and creating more jobs for Australians long into the future.
Australia exports $108 billion worth of goods and services a year to China, which is more than double the $52 billion that we import. We stand to earn billions more as a result of this agreement with tariffs lifted on our exports. Federal Labor's opposition absolutely makes no sense, and I really urge those opposite to get on board and support the China free trade agreement.

Mr Champion: Why don't you negotiate with us?

Mrs Andrews: I am happy to talk to you. Returning to this legislation, it is important that, while we encourage and welcome foreign investment, we also ensure that everyone plays by the rules. I know that my constituents will welcome the stronger policing of our foreign investment rules by transferring the residential real estate functions to the ATO and implementing stronger penalties for those who breach the rules.

I note that this legislation encourages those who are in breach of the rules to come forward and self-report, and there is a reduced penalty period for those who come forward before 30 November this year. The Treasurer has already issued seven divestment orders under the reduced penalty scheme. These are the first divestment orders in 10 years.

It is vitally important, as I said earlier, to ensure that compliance measures are strict but fair and that our foreign investment rules are enforced. These bills introduce a range of stronger penalties to deter those who do the wrong thing. And we have provided the tax office with additional funding and resources to improve compliance and enforcement of the rules.

Australia is indeed open for business under the coalition. We are building a positive investment environment with our free trade agreements and we are creating a stronger foreign investment framework through this legislation. I commend this package of bills to the House.

Mr Fletcher (Bradfield—Parliamentary Secretary to the Minister for Communications) (19:20): I am very pleased to rise to speak on the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015. As you know, foreign investment is extraordinarily important to Australia's economy. We are a nation which imports capital. We have done so throughout our existence. We have more investment opportunities in Australia than can be satisfied with our stock of domestic savings and therefore the import of capital is very much in Australia's national interest. And of course capital is imported in two principal forms: debt and equity.

We have a regulatory regime which deals with the provision and the exercise of foreign ownership of Australian land and assets. That regime exists under the Foreign Acquisitions and Takeovers Act and, as speakers this evening have reminded the House, the key provisions of that act have been in place for many years.

It is very important that public confidence in the regime which regulates foreign investment is maintained. It is important that Australians understand that there is a set of rules which applies to foreign investment and it is important that Australians understand that those rules are rigorous and enforced. The coalition while in opposition became aware of community concern in relation to aspects of the foreign investment regime—for example, in relation to agricultural land and whether there was sufficiently granular data available as to the extent of foreign ownership of agricultural land.

That concern, amongst others, is addressed by the measures in the bill before the House this evening. This bill introduces measures which will establish increased transparency in
relation to the levels of foreign ownership in Australia through a comprehensive land register. It is very important that public confidence in the foreign investment regulatory system is maintained so that we can continue to be a country which successfully imports capital which allows those important investment opportunities to be taken up, thus generating greater prosperity in the interests of all Australians.

I particularly want to commend the work of the Parliamentary Secretary to the Treasurer, my friend and colleague the member for Higgins. The member for Higgins and I comprise the class of 2009. We came into this parliament in by-elections held in the electorates of Bradfield and Higgins on 5 December 2009. In that respect I want to acknowledge and note the campaign being conducted by Andrew Hastie, the Liberal candidate in the by-election currently going on in the seat of Canning. I am confident that Andrew, who is an outstanding candidate, will deliver the right result for the people of Canning and for the people of Australia, will come into the parliament and will make a strong contribution. As somebody who has survived a by-election held simultaneously with a by-election which, happily, brought the member for Higgins in this place, I particularly want to commend Andrew Hastie for the excellent campaign that he is running.

Prior to her present role as Parliamentary Secretary to the Treasurer, the member for Higgins was, of course, the Chair of the House of Representatives Standing Committee on Economics. In that capacity she led a very important inquiry into foreign investment in residential real estate. Again this goes to the question of maintaining public confidence in our system of regulation of foreign investment. We have a set of clear rules in relation to foreign investment in residential real estate. We have a set of clear rules which apply certain principles when it comes to the purchase of established residential property and different principles when it comes to the purchase of new—or 'off-the-plan'—residential property. The policy principle, of course, is that, while there are material restrictions on the purchase of existing residential property, there is a somewhat different approach taken in relation to off-the-plan residential property, the rationale being that the capital which goes into a new piece of residential property is then, of course, increasing the aggregate amount of housing stock.

There is a set of rules. In essence, a foreigner who is not resident in Australia is not permitted to purchase existing residential real estate in Australia. That is a longstanding rule reflecting the policy principles which have been agreed and put into effect by the parliament. Unfortunately, the rules have not been effectively enforced. The inquiry conducted by the member for Higgins and the House of Representatives economics committee explored the fact that there is not sufficient enforcement of the existing rules. A series of recommendations were made from that inquiry, and at least some of those recommendations are reflected in the legislation before the House this evening.

In particular, one of the key measures in the bill before the House this evening is a measure which provides for application fees to ensure that Australian taxpayers are no longer required to fund the cost of administering the screening of foreign investment applications, because it is an expensive process to carry out the necessary scrutiny and oversight of many transactions to ensure that the rules are being enforced. In reality, that enforcement work was simply not occurring to any adequate extent prior to the new arrangements which are given effect under the legislation before the House this evening.
Therefore, in relation to residential real estate we have a set of measures to give better effect to and better enforce the existing laws and policy principles. Consistent with the recommendations of the House economics committee, there is going to be the introduction of a range of new and stricter penalties because we cannot have the continuation of the situation which, effectively, exists today, where it is possible to breach the rules and not be subject to an effective deterrent.

I conclude my remarks on this very important piece of legislation by reiterating the importance of foreign investment. It is enormously important to Australia, a country which has been an importer of foreign capital throughout our existence. It is very much to our advantage as a nation because we have more opportunities for investment than our domestic savings pool can fund, but at the same time it is also critically important that we maintain public confidence in the regulation of foreign investment. The bill before the House this evening contains a series of targeted and well-developed measures which will very much go towards that important objective of maintaining public confidence in our foreign investment system. I commend the bill to the House.

Debate interrupted.

ADJOURNMENT

The SPEAKER (19:29): It being almost 7.30 pm, I propose the question:

That the House do now adjourn.

Turnbull Government

Ms RISHWORTH (Kingston) (19:29): It has been an exciting week—a week that has been reminiscent of an episode from Game of Thrones. Indeed, we have a new king on the iron throne. It has been a week of intrigue, but also of ambition and ego. We have a new Prime Minister. After the knifing of the member for Warringah, we have a new king in town. But unfortunately we have seen that, to get to this position, the new Prime Minister has left his values at the door and has done a whole a lot of deals to make sure he got the coveted position he has wanted for so long. Unfortunately, in his ambition to get to the top job in Australia he has not shown much ambition for Australia and its people. Whether it is on marriage equality or climate change action, we have seen a deal done with the conservatives of the Liberal Party to ensure that he gets on the iron throne.

Many of these deals are terribly concerning but, as someone from South Australia, I particularly want to highlight the dirty deal that has been done between the National Party and the now Prime Minister. The Prime Minister has now trashed what has been an incredible legacy of his, as well as that of the member for Watson to land a historic deal to have sustainable use of the Murray-Darling system. I have to give credit to the then environment minister who introduced the Water Act, and who is now the Prime Minister, but the member for Watson landed this terribly important deal that made the river sustainable into the future. Now, in a backroom deal, we have seen the now Prime Minister hand control over to the National Party and the Minister for Agriculture. We know that, when it comes to water in South Australia, the Minister for Agriculture will always put South Australia's water allocation last. This is terribly concerning for South Australia. We saw plenty of talk in the media about how Malcolm Turnbull was going to win back South Australia; that was part of
his grand plan. Well, putting Barnaby Joyce in charge of water for South Australia does not do a lot for the confidence of South Australians, so that is of particular concern.

Mr Williams: He is a good man!

Ms Rishworth: I hear the member for Hindmarsh has come in and defended the Minister for Agriculture. He should join the member for Barker in saying that he is nervous; at least he has been honest. He is an honest man from South Australia saying that he is incredibly nervous about the National Party taking control of water allocation to South Australia. The member for Hindmarsh should listen to the member for Barker, because he knows what he is talking about.

When it comes to education, which is another passion of mine, we know that, despite changing the salesman, the now Prime Minister still supports the unfair plan to rip money out of universities and to deregulate university fees and charge $100,000 for degrees. Indeed we know that, in an interview with Alan Jones in June last year, the now Prime Minister said:

I support unreservedly and wholeheartedly every element of the budget. Every single one.

I am not sure if the Prime Minister understands that that means he supports $30 billion in cuts to schools. That is equivalent to ripping $3.2 million from every school in Australia. He went on to specifically refer to the higher education legislation and said that he supports the reforms to higher education. That means cutting 20 per cent of funding from Australia’s universities, introducing fees for PhD students for the first time and slugging undergraduate students with $100,000 university degrees—saddling students with debt for a lifetime. If this Prime Minister does not agree with that, then he should come into this place and state what his values are—state what he believes in. But unfortunately I think that, as we have seen on so many issues, this Prime Minister has not thought through the issues that are facing Australia or the important concerns that are facing everyday Australians. All he has done is thought about himself. (Time expired)

Capricornia Electorate

Ms Landry (Capricornia) (19:34): I had a call today from a reporter asking me what I thought of the odds issued by Sportsbet on the next federal election. In Capricornia, Sportsbet apparently lists Labor at odds on $1.17. They said I was the underdog. My response to people is: do not waste your money on Labor. There is no shame in being considered the underdog in the next federal election, because it only spurs me on to prove Labor wrong—yet again.

I concede that we may have a small margin in Capricornia, but I am a fighter and I remain positive because the region deserves to be talked up in a positive way. People know that I am a no-nonsense, down-to-earth member and that I have had my nose to the grindstone, working hard and talking up our region in a way that it has never been represented before. Our coalition government clearly stands for hard-working locals, families, small businesses and communities. This was evidenced this week as the National Party negotiated a new agreement with the Prime Minister to increase, among other things, the Family Tax Benefit Part B for stay-at-home mums and dads. In our last budget earlier this year, only the coalition delivered the most significant growing small business package in 50 years. And only the Liberal-National coalition has provided small business and our farmers—those with cash flow under $2 million—with access to immediate tax deductions for individual assets of up to $20,000 that they purchase for their business.
The pollsters, like Sportsbet, wrote me off last time as well, but I won the seat because people in Capricornia were sick of Labor’s corrupt unions—like the ones we have now facing the current royal commission. They were sick of Labor’s scaremongering, Labor’s skyrocketing national debt, Labor’s carbon tax on local businesses which impeded local job creation and they were sick of Labor’s hopeless economic management.

If people want to gamble with their vote at the next election and put Bill Shorten in charge of our country, they should understand that people from all walks of life in Capricornia will be among the biggest losers from his command. Labor was the party that caused catastrophic losses in our live beef trade. The turnaround in industries like our vital beef sector in Capricornia is due to new free trade deals and new international markets opened up by the coalition, on top of my positive sell on what Capricornia has to offer the world.

I am fighting for water infrastructure in my area because it will boost business confidence, boost investment and create jobs. I want to see projects like the Eden Bann and Rookwood weirs get Commonwealth backing. You hear nothing about these types of generation-changing projects from Labor. Yet here is the potential to create 2,100 new jobs in the Rockhampton region.

It gets worse. The Australian Labor Party brought in 100 per cent FIFO to Capricornia’s coal industry. That is decimating our small mining communities. Labor is further stalling the potential for other avenues of job creation in Capricornia.

Mr Champion interjecting—

The SPEAKER: Don’t interject if you want the call.

Ms LANDRY: Bill Shorten puts at risk the opportunity to support increased exports of beef and other commodities by failing to support our nation’s much-needed free trade deal with China. What type of people deliberately set out to sabotage the opportunities for new jobs and new international trade in Central Queensland? Labor’s Bill Shorten and Labor’s candidate for Capricornia, that’s who.

A vote for Labor in Capricornia is a vote for higher taxes and lower cattle prices. A vote for Labor is a vote for a new carbon tax on your local business, reduced export trade and an end to jobs in our commercial fishing industry.

In uncertain economic times, people need to feel safe and feel that the country is in the hands of the best economic managers, and history proves that that is not the Labor Party. Labor trashes the national bank account, leaving pensioners, the disadvantaged and households relying on a stable welfare system, vulnerable. It is then left to the coalition to responsibly build the nation’s fortunes back up again to secure our pensioners’ future.

I am always listening to the people of my electorate, so I am officially launching a period of electorate-wide listening tours. On Monday, I will be kicking off my ‘all ears’ listening tour, touring around Capricornia, starting in Sarina, Clermont and Middlemount. I use the expression ‘all ears’ to mean listening to any issues people have. (Time expired)

Shortland Electorate: Broadband

Ms HALL (Shortland—Opposition Whip) (19:40): Tonight I rise to talk about the availability of the internet, ADSL and the NBN in Shortland electorate. On Monday, Shortland electorate will have the fibre to the node turned on, and that will help some of the
residents who have been struggling with poor broadband connection. But I have to say that the people of Shortland are extremely disappointed that they are getting a second-rate NBN, not the NBN that they hoped to get. They are also disappointed that the Prime Minister’s second-rate NBN has blown out in cost. We were promised it for $29.5 billion, and now it is $56 billion. We were promised that it would be rolled out within three years; now it is to be 2020, I think. It is very, very disappointing.

There are those parts of the electorate that already manage to get reasonable ADSL, but those parts of the electorate are getting the NBN turned on first. I remember the Prime Minister saying that it would be those areas that struggled the most with their internet reception that would be getting the NBN first, but I have to share this with the House: it is those parts of the Shortland electorate that are getting it last. The NBN will go to the bridge at Swansea and will go to the end of the 43 Central Coast exchange, but all the area in between misses out.

I would like to share with the House an email I received from a constituent who just moved back to Caves Beach, which is over the bridge, after spending 7½ years in Macau. He watched the debate about NBN and fibre to the node with great interest, but he did not think it was going to be an issue for his family until he arrived at Caves Beach. He is unable to connect to the internet because there is no space on the network. That was an email I received last week. So there is no NBN coming to Swansea and Caves Beach—no space on the internet.

I have to say that this does not finish at Caves Beach. Caves Beach has not got 4G reception. It has limited wireless. You go a little bit further down the road to Nords Wharf, and it is even worse. I am absolutely horrified that the Prime Minister would have promised the people of Australia something and have delivered something very different.

Another constituent emailed me last week, and we had quite a conversation about the internet. He was devastated because he lacked basic internet services. He is on the Lake Munmorah exchange. That is on the Central Coast in the Chain Valley Bay area. He was told by Telstra that he would be able to connect to the internet in April 2015. Well, here we are in September, and it is still not available. Work has been done on the Lake Munmorah exchange, but it has not been completed. The date when it is supposed to be completed keeps blowing out and blowing out, and 4G is very poor in the area.

I am really pleased that the NBN is being turned on in Belmont next week, but there has been delay after delay after delay. I spoke to those men who were working on installing the NBN. They told me that the copper in the area was in absolutely abominable condition. It was supposed to be July; now it is going to be September, and the other areas in my electorate have been delayed and delayed. The Prime Minister needs to apologise to the people of Shortland for not delivering what he promised or at the cost he promised—(Time expired)

Mr WILLIAMS (Hindmarsh) (19:45): The Medical Research Future Fund, which I will refer to as the MRFF, was established in August and, in my opinion, has not received the recognition it deserves. The $20 billion MRFF, the biggest endowment fund of its kind in the world, is a landmark initiative. It is a game changer, and I am sure the member for Wakefield,
who is sitting opposite, would agree, given his position as the shadow parliamentary secretary for health.

My wife works in the health industry, and I understand the importance of having a well-resourced health sector and the need to ensure that Australia’s best and brightest medical researchers remain world leaders when it comes to developing treatments and cures that will improve the lives of Australians and millions of people around the world. The MRFF is expected to reach a target capital level of $20 billion by 2019-20. Let us just imagine that for a moment—$20 billion to be available to research professionals to advance medical research projects, develop treatments and cures and ultimately deliver improved health and medical outcomes for all Australians. The MRFF will eventually deliver $1 billion in annual funding for health and medical research. It will be transformational, not only for Australia’s 23,000 research professionals but also for the medicines industry that stands behind that and employs nearly twice as many Australians. The MRFF highlights that this government is serious about research and serious about Australia playing its role in advancing world-leading medical research and skilled jobs for the future.

Academics and some of Australia’s leading health professionals have welcomed the government’s Medical Research Future Fund. Professor Christine Bennett, Chair of Research Australia, said:

Investing in health and medical research is about better health and well-being, greater productivity and a stronger economy, and giving hope to people living with health problems for which research is the only hope.

My electorate of Hindmarsh is one of the oldest, age wise, in the nation and I know firsthand the need for this fund to help our researchers to find cures for conditions such as dementia. More than 7,500 Australians will be diagnosed with dementia each week in coming years. According to Harold Mitchell, Chairman of the Florey Institute of Neuroscience and Mental Health, the Florey institute is on the cusp of a major breakthrough in its efforts to prevent, treat and even cure this devastating disease, and the Medical Research Future Fund could not come at a more valuable time. This is just one example that needs reliable funding so researchers can forge ahead.

I would also like to recognise the efforts of local South Australian businessman Mr Ian Smith, and his commitment to the future of Australian health. Ian is a board member of Baker IDI Heart and Diabetes Institute and an advisory board member of the Association of Australian Medical Research Institutes. The discovery by Baker IDI of the difference between type 1 and type 2 diabetes is one of the many great Australian medical discoveries. Ian has welcomed the government’s efforts to support medical research. He says:

A medical research fund of such significance will help Australia lead and collaborate in the global search for cures for the most chronic health problems. It will also enable us to retain and attract talent to help nurture an industry of the future.

In South Australia this fund will have significant impacts on a number of local companies, such as Hospira, Bionomics and Baxter Healthcare. Hospira, which I have visited, has impressive future plans which will secure 100 jobs in advanced manufacturing, something that new Prime Minister Turnbull is very supportive of, and it will contribute significantly to the state’s economic activity over the next eight years. Bionomics is a biopharmaceutical company dedicated to making better treatments and is currently undertaking clinical trials for
renal and ovarian cancer studies, trials that will no doubt benefit from the MRFF. Baxter Healthcare Australia is working towards developing and manufacturing products that save the lives of people with haemophilia, immune disorders, infectious diseases, kidney disease, trauma and other chronic and acute medical conditions. The MRFF will allow companies such as those mentioned to continue the work to create products that advance patient care worldwide.

Finally, I would like to take this opportunity to recognise the great work of the South Australian Health and Medical Research Institute, or SAHMRI, our first independent flagship health and medical research institute. Established in 2008 with the help of $200 million of federal government funding, it was opened by the former Prime Minister Abbott. With more than 600 outstanding researchers working together in the search for better treatments and cures for some of the world's most challenging diseases, SAHMRI is a world-class precinct. I was privileged to tour the SAHMRI with the executive director, Mr Steve Wesselingh, and meet a number of our best and brightest.

In closing, seven million Australians currently live with chronic disease and 75 per cent have a long-term health condition. Investing in health and medical research is not just a nice-to-have but a must-have for our future. This offers the very best talent available career paths and a bright future with employment opportunities. It is a great initiative and a game changer.

**Turnbull Government**

Mr Champion (Wakefield) (19:50): It saddens me to inform the House that we have seen in the past few days a repetition of the trashing of the Westminster traditions that have given Australia stable, reliable and predictable democratic government. Tragically, it has been replaced by a system of leadership selection which is not unlike the way an outlaw motorcycle gang chooses its sergeant-at-arms or president. In case anybody accuses me of hypocrisy, this speech's content largely reprises a speech I made to Labor's caucus after my re-election in 2010. Reports of this speech were reported in Laurie Oakes's column on 11 September, 2010 under the headline, 'It's a minister's duty to argue with the PM'. I was not the source of that story, but it is an accurate report, such was the state of the caucus at the time. The subject of that speech was a minister's duty under the Westminster tradition, and the traditions are codified on page 67 of our *Practice*:

Convention requires that Ministers accept collective responsibility for the policies and performance of the Government … If any Minister is unable to accept or publicly dissents from the opinion and policy of Cabinet, it has been said that it is his or her duty to resign.

Those things include misleading the Prime Minister and through him the parliament, or disagreement with the actions of the Prime Minister. That is in the principle. This is not some theory that we may debate in this House; it is a vibrant part of our democracy, one that is now sadly only being honoured in the breach. There are many historical precedents that I can point to for those opposite and indeed for those on my own side in this great parliament: Kingston's speech resigning from the Barton government, Fraser's speech resigning from the Gorton government and Peacock's speech resigning from the Fraser government. These are great speeches that were made in this parliament that comply with the Westminster tradition. And there are so many examples from the United Kingdom: Tom Watson's brave speech resigning from the Blair government, Robin Cook's speech resigning from the Blair government, Geoffrey Howe's speech resigning from the Thatcher government, Duff Cooper's very
important speech resigning from the Chamberlain government at a time of war—proving that Westminster democracy could stand up to dictatorship; proving that Westminster democracy was the right form of government to fight a war. No more important speech has been made than Duff Cooper's resigning from the Chamberlain government. These speeches should be commended to the House for their courage and their commitment to the responsible minister's duties. They put duty ahead of ambition as did Kingston. Kingston, in his speech on 24 July 1903 said:

I am content to pay the penalty doing that which I believe to be my duty, and at the same time wishing good luck to those with whom I have had the honour to be associated with.

That was a very fine speech.

There are many in the community who are aghast at the actions of this government and the fact that we can have so many prime ministers in such a short period of time. On The Project the other night, Waleed Aly and Steve Price took the foreign minister to task for her actions in failing to inform the Prime Minister of the conspiracy and the cabal that was forming at the heart of his government, a very serious problem indeed. My own local paper, The Bunyip, said:

Some rejoiced at the triumph at the end of the Abbott era, but, for a large number of Australians, there was no fission of excitement at a unique political event, or even of disbelief, for this sort of political bastardry seems to have become the norm.

I am very sad that it has become the norm and I am very sad that I have had to lecture my own party. I thank Prime Minister Rudd for changing the rules of the Labor Party so it could never again happen to a Labor leader. But for the conservatives to embark on this after seeing the peril which it put my own party on, for them to change prime ministers in the din of night with not a single ministerial resignation, with a conspiracy and a cabal forming in the cabinet, to traduce the traditions of Westminster is in abomination considering their election commitments and it should not be allowed to stand. (Time expired)

Forrest Electorate: Bushfires

Ms MARINO (Forrest—Government Whip) (19:55): The bushfire season in the South West of Western Australia generally occurs between November and April each year. It is a time that represents increased risk to all, but especially to those who live in, around or near the bush. Bushfires can be devastating to entire communities, and the impact lives on for a long time.

In the South West we still remember the fires in Dwellingup in 1961, which left 800 people homeless. Fifty years later we saw the devastation in Margaret River, where fifty homes were lost. There have also been significant blazes in Nannup and Bridgetown. The risk is great, and so must be the effort to be prepared, especially given the late rains and the fuel loads. Bushfires will never be completely prevented. If we retain forests and the natural environment, we retain the risk of fire. And we will never be able to stop all ignitions—after all, who among us can control lightning?

We can reduce the risk, and indeed we should, by the use of controlled burns to reduce fuel loads, but we can never eliminate it. So it is essential that everybody at risk is prepared, and has a plan in the event of bushfire. Preparation and risk minimisation is essential. This
involves some obvious actions, including cleaning gutters to remove fuel from the house itself. But it also includes strategic planning from the day we build.

Western Australia's Department of Fire and Emergency website 'Prepare Before the Season' asks if your local area has a bushfire history and if you have trees or shrubs within twenty metres of your house. Answering 'yes' to either indicates that bushfire is a real risk to you. This means that a lot of houses in the South West are at risk. We have some of the greatest environmental assets in the world. We are an internationally recognised biodiversity hotspot with unique flora and fauna, and many of us want to live as close to nature as possible.

However, if you build a wooden house in a forest and have trees and shrubs coming up to the walls, your fire risk is extreme. To stay and defend such a property, if that is your intention, you must have the right equipment including water and the means to spray it without mains electricity. Having an up-to-date bushfire plan is critical to the safety of you and your family from this time of year onwards into the summer.

I hope we have no major bushfires this upcoming fire season. But most of all, I hope we are all prepared if we do. I would like to acknowledge the 4,934 local bushfire service volunteers right across the South West along with the 294 SES volunteers, 570 volunteer fire and rescue personnel and 29 specific volunteer fire personnel. We certainly could not survive without these people. These are some of those who faced some of Western Australia's biggest challenges fighting the enormous and complex fires that threatened Northcliffe and Boddington as well as a number of other potentially serious fires through the South West last summer. The Northcliffe fire burnt out 98,000 hectares—the biggest bushfire in the South West since Dwellingup in 1961 and Boddington, some 52,000 hectares. South West volunteer and career firefighters worked more than 96,000 hours to contain and control those fires. Firefighters attended from right around my electorate and I want to acknowledge the work that they have done to date but also acknowledge the threat that exists in the summer ahead. I thank them in advance for the work that they will be doing over the summer in keeping our community safe right throughout the South West of Western Australia.

House adjourned at 20:00

NOTICES

MR MCCORMACK To move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: OneSKY equipment rooms project in Melbourne and Brisbane.

MR MCCORMACK: To move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Fit-out of existing leased premises for the Australian Taxation Office at 121-125 Henry Street, Penrith, New South Wales.

MR MCCORMACK To move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on
Public Works and on which the committee has duly reported to Parliament: REDFIN Phase 1B Infrastructure—Facilities required for the new fleet of Special Operations Vehicles.

**MR MCCORMACK**: To move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Campbell Barracks Redevelopment Project, Swanbourne, Western Australia.

**MR MCCORMACK**: To move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Fit-out of existing leased premises for the Administrative Appeals Tribunal at 83 Clarence Street, Sydney, New South Wales.

**MR MCCORMACK**: To move—

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Delamere Air Weapons Range Redevelopment Project, Northern Territory.

Private Members' business

**MS MARINO** To move—

That this House:

(1) notes that the jobs of the future will require science, technology, engineering and mathematics skills;
(2) welcomes the Government's ongoing investment of $9.7 billion in science, research and innovation; and
(3) acknowledges that the Government is:
   (a) delivering on its promised Industry Innovation and Competitiveness Agenda; and
   (b) putting science at the centre of industry.
CONSTITUENCY STATEMENTS

Melbourne Formula 1 Grand Prix

Mr DANBY (Melbourne Ports) (09:30): On Saturday, I regret to say, the Victorian Premier announced a three-year extension to the Melbourne Grand Prix—it is now locked in till 2023. In my view and the view of most local residents, the race is a waste of public money. The state government is keeping the budget for this year's race and coming years' races a secret, but previous years' costs are indicative. The race cost Victorian taxpayers $60 million last year. Indeed, over the past five years it cost, on average, $50 million per race, but these costs are rising. I expect next year's will be over $60 million. Some of this money goes to the cost of setting up the event; however, a large part of it goes straight into the pocket of billionaire promoter Bernie Ecclestone. Victoria paid him $30 million in 2013 for the license alone. That increased to $35.9 million last year and $37.7 million this year. What will be next? Ecclestone has received hundreds of millions of dollars of cash payments from Victoria. He has threatened that, if the cash is cut, Melbourne will lose the race.

Attendance is an all-time low. At the moment, the $55 million accounts for $800 per person attending the Melbourne Grand Prix, by my calculation. It would be better if members of the state government stood in Burke Street and distributed $100 bills to Melburnians—it would cost them less. Perhaps they could spend the money saved from the Grand Prix on many problems that the Victorian government is justly going to fix, but paying $800 per person attending this event is not a good expenditure of money.

Mr Ecclestone is a person who has faced various fraud charges in Germany. He was charged with bribing a German banker. The extraordinary decision of a Munich court was to let him off for a payment of $100 million to charity. I do not think this race deserves the kind of public support that it continues to receive. It is extremely unpopular in my constituency, where most residents of Albert Park, South Melbourne and South Yarra leave the city and often go interstate or up to the country. It is a race that, for that amount of public expenditure, is not worth the support that it receives. In a local survey regarding the Grand Prix responded to by over 6,700 people, only 87 supported the race.

Stirling Electorate: 2015 Anzac Day Schools' Awards

Mr KEENAN (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (09:32): I rise today to congratulate one of the great schools in my electorate of Stirling, Yuluma Primary School, on winning one of the 2015 Anzac Day Schools' Awards. Yuluma was this year's winner in the Best Veteran and Community Involvement special category. Yuluma beat all the other schools from around Australia in this category, which is a huge achievement and honour. I was very pleased to be able to personally present the school with its certificate, plaque and a cheque for $1,000 at a special assembly recently. The Department of Veterans' Affairs admired the unique way of commemorating the Centenary of Anzac by sending 'Flat Stanleys' to various ADF personnel in Australia and overseas, including the 1st Armoured Regiment and the 1st Aviation Regiment. During my visit to the school, I was able to see firsthand the work that the students had done in creating
their individual Flat Stanleys, which reflected the school community. It was great to see that each class created their own Flat Stanley and received photos and feedback from each of the ADF units that received one.

Although there was a huge effort made by the entire school community, I would like to especially mention Miss Margo Whittle, the history and Japanese teacher at Yuluma, who spent many hours putting together the application for this award and coordinating this program. I would also like to make special mention of the school chaplain, retired Lieutenant Colonel Mark Walker, whose idea it was to send the Flat Stanleys to a range of different ADF units across the country and overseas. I believe it is vitally important that our students learn about the significance of the Anzac history, and it was great to see that the school also got involved in a range of commemorative activities for the Anzac Centenary.

I was particularly impressed with the way the school took the initiative to engage our current serving troops as part of their Anzac Centenary commemoration. Many of our current serving soldiers are often away from their families for long periods of time, so to receive letters of support and encouragement from young school children is really important. The Flat Stanley idea was particularly effective at this because it engaged the soldiers and encouraged them to create their own Flat Stanleys and send them back to the students.

This milestone year, the Centenary of the Anzac landing at Gallipoli, is significant beyond measure in our nation's history. By commemorating the centenary we recognise and thank all those who have served our country and worn our nation's uniform over the past 100 years. I would like to congratulate all the students and staff at Yuluma Primary School on winning this prestigious national award.

**Education**

Ms KATE ELLIS (Adelaide) (09:35): I rise today to share with the parliament some thoughts on the importance of teaching STEM in our schools, and to share some experiences from the wonderful electorate of Adelaide that I am so lucky to represent in this place. In the near northern part of the Adelaide electorate is a fantastic school, Roma Mitchell Secondary College, and they have been leading the way on teaching science in schools. This has recently been demonstrated by the fact that a group of six year 10 and 11 students have won a University of South Australia competition and will now get the opportunity to fly to the United States for a study tour—a fantastic achievement for anyone, but particularly year 10 and 11 students. These students will head to Washington DC where they will get the exciting opportunity to visit landmarks and to continue their studies.

This brilliant success by a local school in the Adelaide electorate shows the hard work of teachers, the dedication of students and the recognition from school leaders of the importance of teaching science, technology, engineering and maths in our schools. This accomplishment highlights the importance of placing a priority on teaching skills in STEM in our classrooms. I am incredibly proud to be part of a party that is committed to investing in STEM, in research and in innovation to build and sustain the jobs of the future.

We have heard from the Leader of the Opposition that our policy commitments mean that students all over the country will be offered the same opportunities that these students at Roma Mitchell have had. Labor have announced initiatives that will prepare students, like those at Roma Mitchell, for the changing economy and for the skills that they will need for
their future employment. We will give every student the opportunity to learn coding and computational thinking in schools—something that year 11 student Nathan said would strengthen his future career choices.

In 2012 only 16 per cent of higher education students in Australia graduated in STEM related subjects compared to 52 per cent in Singapore and 41 per cent in China. These statistics show a dire need for Australia to place a priority on education in the STEM areas. We have announced that we will provide 100,000 STEM award degrees, which will provide a financial incentive for students to enrol in and complete a STEM undergraduate degree. STEM award degree recipients will have their HECS debt written off upon graduation. Our initiatives also mean that a STEM teacher training fund will be established to support 25,000 primary and secondary school teachers to undertake professional development in STEM disciplines. We will also encourage STEM graduates to teach by offering 25,000 scholarships to address the shortage of qualified teachers. Only Labor is committed to investing in the jobs of the future, and we know that that means education in STEM.

Illicit Drugs

Ms PRICE (Durack) (09:38): I rise to speak on an insidious drug that is tearing families apart not only in our cities but also in our rural, regional and remote towns and communities. Of course, the drug I speak of is ice, and I believe it is the most destructive drug on the illicit market. Good, decent families in my electorate of Durack are being torn apart by the physical, mental and behavioural effects this drug has on a member of their family—sometimes a mother, sometimes a father and sometimes a child, but, sadly, always a loved member of someone’s family. Tragically, these families are being held together not with government intervention but with love—good old fashioned love for a family member—although I fear love alone is not going to save us from the hell of ice.

Former Prime Minister Abbott announced, in April this year, the establishment of a National Ice Taskforce to develop a National Ice Action Strategy. The focus of the task force is to examine the impact of ice on individuals and communities; examine gaps in our knowledge of ice; and consider the effects of all levels of government in Australia to address the problems associated with ice. Last month, the government announced that we would put aside $1 million to roll out the 'dob in a dealer' campaign to combat the ice scourge. This is a good start. This is one of the government’s efforts to address this issue not only in Durack but throughout Australia.

In June this year I hosted an ice summit in Geraldton. Present were about 50 front-line professionals from health, legal and the police and other service providers, as was the Assistant Minister for Health, Fiona Nash. Additionally, about a 100 community members attended the event. The raw and emotive stories from these community members made this summit an incredibly heartbreaking occasion. Fathers, mothers, aunts and, sadly, grandparents, sisters and friends, one by one publicly shared their very private stories. These brave souls stood before mostly strangers and described their grief and individual harrowing stories. They were all different stories but they all had one common thread—the havoc that ice had caused in their lives and their families. Sadly, most of their stories all came with a deep sense of shame that ice had been stronger than their family ties.

It is our responsibility as elected representatives to do all we can to combat this evil drug. We know we simply cannot arrest our way out of the ice epidemic. What we need is
education. We need awareness. We need the parents to know what a child looks like when they have taken ice. We also need the right level of health and community support. Our government is playing its part in that, but I have no doubt we can do more.

Lilley Electorate: Schools

Mr SWAN (Lilley) (09:41): This year, 2015, is big year for local schools in the Lilley electorate, with two schools celebrating significant milestones: Aspley State School, celebrating its 125th birthday and Nundah State School celebrating its 150th birthday. They are two of Brisbane's oldest schools. Both schools have active and vibrant school communities and active and vibrant P & Cs, who have all been putting in an enormous amount of hard work over the past year to mark these significant milestones.

Aspley State School have had a number of events throughout the year as part of their birthday celebrations, with major events taking place over the last month. On 10 August, they held a foundation day to celebrate and revisit their history. They invited past students along to share their memories and to speak to current students. Last Friday, I had the pleasure of attending the main event of the Aspley birthday celebrations, the Aspley 125 Birthday BLAST. It was a fantastic day. There was a massive turnout from the whole school and the community, with many past students, their families and the broader local community. The school's music program was on display, with terrific performances from the school choir and the school band. Well done to all the students and teachers who were involved. It was really a very inspiring performance. There were also plenty of rides, food and activities and, generally, it was a very entertaining afternoon and evening. Those celebrations were finished off with a reunion dinner at Kedron-Wavell RSL, where past students from all decades came together to reconnect with old friends, including two former students in their 80s who are now married. I would like to thank the school principal, Andrew Duncan, the deputy principal, Brendan Smith, Victoria Edwards and June Reynolds from the school's P & C and everyone else involved for all their hard work and for making this celebration very significant.

The Nundah State School's 150th birthday celebrations have also been getting underway. Nundah State School has been at the heart of Nundah for all its existence. It was formerly called the German Station National School—this was one of the first areas of Brisbane that was settled by German immigrants—with an initial enrolment of just 62 students. Nundah State School was renamed in 1986, and in 2014 now has over 700 students attending classes.

As part of the celebrations, they held a trivia night on 27 August and they have been fundraising throughout the year to raise funds to build a new outdoor play area at the site of the old camphor laurel tree, which stood right in the middle of the quadrangle at the heart of the school. There are also a number of big events coming up, including a bush dance on Friday, 16 October, culminating in a spring fair held at the school on Sunday, 18 October. The spring fair will be a huge day, starting off with a street parade down to Nundah Village and back to the school to kick things off. There will be plenty of entertainment and I urge people in the local community to attend the spring fair and, particularly, to see the displays for the Nundah Historical Society, who have photos and displays from the school's 150-year history.

Thanks to Cathy Baker, Deb Cox, Bruce Davies and everyone else involved with the 150th birthday.
Mr McCormack (Riverina — Parliamentary Secretary to the Minister for Finance) (09:44): The imminent return of water to the Agriculture portfolio is long overdue. Not only was it a motion unanimously passed at the weekend's National Party conference in Canberra, but it was also one of the main items of the coalition agreement negotiated between the Nationals leader, the member for Wide Bay, and the new Liberal leader, the member for Wentworth, yesterday. Of course, Labor's South Australian members of parliament and the Greens were swift to condemn the move, which undoubtedly means it is a good thing. I am always intrigued when I see the member for Melbourne get up in this place and parrot precisely the same lines on the same day as the would-be Labor leader, the member for Sydney, and those lines are repeated then by GetUp! and the unions—same lines, same ideology. Labor and the Greens were certainly on a unity ticket when it came to the Murray-Darling Basin in the last parliament, and nothing has changed since Labor was deservedly replaced by the coalition as the government in 2013. The Greens want all the water in the basin to flow out the mouth of the Murray and into the Southern Ocean.

Jennifer Marohasy has forgotten more about Murray-Darling matters than any city based Green will ever know. In March 2014, she wrote a fascinating article about that great explorer of Australia Matthew Flinders and how he missed mapping the Murray mouth. She wrote:

Flinders had been sailing east and had chartered the Spencer Gulf and the Gulf St Vincent on which Adelaide is now situated. While Baudin—Frenchman Nicolas Baudin—was sailing west charting the coast from the "Promontoire de Wilson" including the inlet of Port Philip, on which the city of Melbourne is now situated.

While the two countries were at war, the two captains meet amicably and exchanged maps and information, in particular Flinders explaining to Baudin where he could find freshwater on Kangaroo Island.

Flinders was unaware that he had just sailed past the mouth of the longest river in Australia, the orifice to the Murray Darling Basin.

There is no river mouth on Flinders' map of the shoreline of Encounter Bay. Rather he wrote "low and sandy topped with hummocks of almost bare sand" and described the region of Lake Alexandrina as "low land".

Historians have written that this acclaimed navigator and cartographer "missed" the Murray's mouth. It is perhaps more likely that the Murray's mouth had simply closed-over.

Of course it had! That is nature. I appreciate that the Lower Lakes are important. I appreciate that water icon sites and Ramsar wetlands need a drink up and down the system, but what I do not understand is this constant barrage—if you pardon the pun—of criticism copped by irrigators from the Greens. What I do not get is why wetting a recently identified supposed puddle is suddenly more critical than the livelihood of a Riverina food or fibre producer. What I do not get is why my family farmers have to account for and pay for every single drop of water they receive, yet environmental water is just forced downstream, dictated by a date on a plan by some perfunctory bureaucrat. Never mind how much rain might have fallen downstream or that there might have already been a flood event looming. Who cares that a gushing river could cause bank erosion on that low-lying land and landholders could be put
under water? This week things started to change, and that is a good thing for Australia and for my Riverina electorate.

Rural and Regional Health Services

Ms McGOWAN (Indi) (09:47): Health is one of the key issues in my electorate of Indi. Today I would like to speak about funding for multipurpose services. MPSs were established in Victoria in the early 1990s, and they have a unique funding formula which is now under threat. Funds are pooled from the Commonwealth and state governments to enable rural communities to provide health, community and aged-care services—truly multifunctional. There are two MPSs in my electorate of Indi: Upper Murray Health and Community Services in Corryong and Alpine Health in the Kiewa and Ovens valleys. Recent changes to the Aged Care Act and the establishment of Primary Health Networks jeopardise the viability of these services. We have a problem. With the changes to the Aged Care Act in July 2014, MPSs are no longer eligible to obtain accommodation contributions from residents who receive government assistance or receive accommodation supplements. They do not receive any funding through the Aged Care Funding Instrument—the ACFI.

Research from the Victorian Department of Health and Human Services shows that MPSs are significantly underfunded. A comparison between MPS funding and ACFI funding for the same clients found that the current discrepancy is $25.13 a day per resident in high care, which is 18 per cent, and $56.66 a day per resident in low care, which is 65 per cent. This equates to $600,000 a year less than if equivalent services were funded through the ACFI and the MPSs were able to claim the other subsidies. Unless these issues are addressed, the sustainability and viability of MPSs is threatened, not to mention the increased burden this would place on regional health and aged-care services in Albury-Wodonga and in Wangaratta.

Another funding situation for MPSs is the transfer, in the case of Upper Murray Health and Community Services, of $250,000 of Rural Primary Health Services funding to the newly established Primary Health Networks. Funding is only assured for 12 months. The loss of these direct Commonwealth payments—primary health plus aged-care funding—will seriously reduce the services delivered by Upper Murray Health and Community Services and Alpine Health. These are vibrant MPSs. In Towong Shire, the MPS employs 150 people and it is the largest single employer in that shire. MPSs are a vital part of the rural health mix. They must be adequately funded, and I call on colleagues opposite from the National Party to join me in the battle. We must get this reinstated.

Turnbull Government

Mr COULTON (Parkes—The Nationals Chief Whip) (09:50): I have seven seconds to agree with the member for Indi that regional health services are indeed important, but that is not why I am here today. I would like to speak today about the historic agreement that was reached yesterday between the Leader of the Nationals and the Leader of the Liberal Party in forming what now will be known as the Truss-Turnbull or Turnbull-Truss government—much the same. The negotiation that took place yesterday was a model that we can follow in this place. A couple of years ago, we saw a negotiation to form government with the Greens and a couple of Independents from New South Wales, and it was like a Dutch auction. The Greens demanded that we have a carbon tax and wipe out small business and affect the low-income earners of regional Australia—they did not have much to ask for! And the
Independents asked for about $10 billion worth of funding, from a mining tax that was going to kill the mining industry in Australia—so they did not ask for much either!

Yesterday Mr Truss and Mr Turnbull came to some key agreements. Probably the most important—and mentioned by my colleague the member for Riverina just then—is the transfer of water from the Environment portfolio into Agriculture. This is not going to be an attempt to blow up the Murray-Darling Basin Plan. The irrigators in the Parkes electorate, which is 25 per cent of the Basin, are fatigued and fed up to their back teeth. This will make sure that we have that triple-bottom-line approach—environment, community and agriculture—not just a one-sided approach. I think that that is a sensible movement. There is some more assistance for stay-at-home mums and there is certainty around a plebiscite for same-sex marriage, which will be after the next election. And there is a guarantee that, when the Prime Minister goes to Paris at the end of the year, we will have the climate change policy that has been agreed to in the coalition. We will not see any change in that. That will give assurance to the people of my electorate, because quite frankly, with regard to climate change, we are doing better than predicted. We are actually suppressing and abating more carbon than was predicted, certainly more than under the previous government. We were very sure that we wanted to keep that scheme as it was. There is also confirmation that we are going to continue with the Inland Rail project, our agriculture white paper and the dams policy. These are all sensible projects and policies that are good for regional Australia. This is not holding a gun at anyone's head. It is sensible, proper government.

Early Childhood Education

Ms O'NEIL (Hotham) (09:53): I rise today to speak on the challenges being faced by kindergartens in my electorate of Hotham. For decades now, we have known that early learning is what matters most to setting children on the right path. It is good for parents, it is good for families, it is good for the community and it is great for the economy. The evidence shows that, for every dollar we spend on the early years education of our children, about $5 to $9 is returned to the community down the track. This is an investment no-brainer. Yet what we have seen over the last two years of the life of this government is more or less constant attempts to create an uncertain policy environment for Australia's kindergartens. My message to the parliament this morning is that this has to stop.

One kindergarten in particular that I want to draw to the attention of the House is the Glen Eira Kindergarten Association, which started with pretty humble beginnings as a pilot program with four services and it has grown to full KCM status with eight services within just 18 months. It is not hard to understand why. I have visited the kindergarten and it is a really extraordinary early learning environment. It is a place of incredible, quality educators who are looking after these beautiful young people living in this community in Glen Eira. They have a really thoughtful curriculum. It is a great, welcoming community space and a great place for families to get together and develop that really critical early learning environment for the kids in this community. It has a quality of care that I want to see for every Australian child in every Australian community.

But what this kindergarten faces, as do many around the country, is incredible uncertainty—in particular, for continued Commonwealth support for 15 operating hours that should be the right of every Australian child. The changes that are being proposed are set to dramatically increase the cost imposed on families. We are talking about increases of
somewhere between $385 to $599. These increased costs are of course going to impact more on low-income families, yet we know that it is the low-income families and the children growing up in those environments that will benefit the most from that early learning.

The association faces huge challenges in trying to maintain affordable fees, and at the very same time they are trying as hard as they can to cater for as many children as possible. What we know is that this association, knowing the great quality of care, is going well out of its way to fill its places to its absolute maximum. But other regulations are meaning that at the same time they have to increase their staffing requirement. So we have a complex policy environment faced by this kindergarten, which is really just doing what it can to try to give the children at the kindergarten the best start in life. It is time that Australian public policy caught up with decades-old research and allowed centres like Glen Eira Kindergarten to continue the incredibly important work they do in laying the foundation for a generation of well-rounded Australian children.

McPherson Electorate: Elanora State High School

Mrs ANDREWS (McPherson—Parliamentary Secretary to the Minister for Industry and Science) (09:57): I rise today to talk about a fantastic school in my electorate, Elanora State High School. Just a few weeks ago I presented the school with a new flag and I had the opportunity to speak with students and staff. Elanora High's motto is 'Aim to excel' and there certainly is a very positive atmosphere and culture at the school, where students are supported and encouraged to be their best.

A feature of Elanora High is the strong chaplaincy program. Chaplaincy is a partnership between the school and the chaplain, supported by local churches, businesses and community organisations, which provides a network of local support and assistance to the school community. Elanora has two chaplains, and I give them a big shout-out today. They run positive, fun activities for the students both in and out of school.

Some sections of the media have certainly struggled to understand the concept and the value of the chaplaincy program in schools. I can tell you that school communities certainly have not had such difficulties. They have a deep understanding of the program, especially in reaching out to young people who may be experiencing difficulties. As the Elanora High website explains:

A school chaplain is a safe person for young people to connect with at school, providing a listening ear, caring presence and a message of hope.

This includes support for at-risk students, support for staff and families from the wider school community, and spiritual support and direction for the school community.

Elanora High is today running a free-dress day to raise funds for their chaplaincy program. I commend the students on their enterprise, which reflects the value they place on the work that Dave and Stephanie do. I am certain that many of my colleagues in this place have similar positive examples in their electorates, and I take time today to thank the many fantastic people working in chaplaincy programs in schools in my electorate and throughout the country. To Elanora High I say: congratulations to you on the great work that you have been doing and I hope you are having a fantastic time at your free-dress day today.
Yesterday and today I have been wearing the scarf of the Australian Diamonds netball team, our world champions, and I will do that with pride as I continue to support the Australian Diamonds and all of the sporting community organisations in my electorate of McPherson on the southern Gold Coast.

The DEPUTY SPEAKER: It being just on 10 o'clock, if no member objects to the three-minute constituency statements being extended, I will take that course of action.

RESULTS Australia

Mr KELVIN THOMSON (Wills) (09:59): I had the pleasure yesterday of meeting with one of my constituents, Josh Morgan, who is doing outstanding work as a volunteer with RESULTS, as well as Murray Proctor, who is a global health consultant for RESULTS International (Australia). They are a movement of passionate committed everyday people and an active member of the Australian Council for International Development and the Campaign for Australian Aid, working internationally with RESULTS counterparts in the ACTION Global Health Advocacy Partnership on improving access to health, education and economic opportunity.

From 25 to 27 September, leaders are gathering to endorse the sustainable development goals, or global goals, which the UN development program calls:

A historic pledge to end poverty. Everywhere. Permanently.

They say we cannot achieve sustainable development goal 3, which ensures healthy lives and promotes wellbeing for all at all ages, without increased access to vaccines against preventable diseases and treatments of epidemics like HIV, TB and malaria amongst the poorest and most remote people in the world, including in our region. They have urged that funding for the aid program be reinstated to 0.3 per cent of GNI by 2018-19. I support this. I think that aid cuts are foolish. In fact, they proved to be one of the drivers of the regrettable flight of asylum seekers from refugee camps to Europe that we are seeing now. I think that we need to have an aid budget that reflects our commitment to people in need abroad.

RESULTS has also expressed the opinion that the Trans-Pacific Partnership, in its current form, has the potential to disadvantage the least developed countries in our region by reducing access to affordable medicines and vaccines. They believe that the Trans-Pacific Partnership has the potential to reduce the impact of Australia's aid investment in the region, both bilaterally and multilaterally. I want to indicate that I share their concern about evergreening, patent abuse, special exclusivity, data exclusivity and patent linkage as well as investor-state dispute settlement issues in current and future trade deals. I call on the foreign minister to publicly state the government's position regarding the impact of these on the effectiveness of Australian aid dollars.

Yesterday, I also had the pleasure of meeting with Alan Kirkland, the Choice CEO, as well as public health expert Dr Deborah Gleeson of Latrobe University, who expressed similar concerns about the impact of the TPP on the extension of biologics. (Time expired)

Petition: Gold Coast Airport

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Minister for Foreign Affairs and Parliamentary Secretary to the Minister for Trade and Investment) (10:03): I am presenting, on behalf of constituents, a petition that was considered by the Petitions Committee and is in order. This is a petition that relates to a proposed new flight path on the Gold Coast. I have
the privilege of representing what I consider to be the best parts of the Gold Coast, basically from Southport down to North Burleigh. Recently it was indicated by the Gold Coast Airport that there was an intention to implement a new proposed flight path that would also align with the installation of what is called an ILS, an instrument landing system. A consequence of this proposal is that there is a proposed new flight path that will see aircraft barrelling down over a number of my suburbs—suburbs that have previously never had aircraft noise before. That is, in fact, some 60,000 people, who have never had aircraft noise and who will now be subjected to aircraft noise on an almost daily basis.

I have had discussions with Gold Coast Airport, the Deputy Prime Minister, the airlines and community groups and I have looked very closely at why this proposal has been put forward. The argument that is put forward from Gold Coast Airport is that it is necessary to have the instrument landing system in place to make the airport more reliable and to make sure that more aircraft can land on the Gold Coast in poor weather. But when you look at what it actually involves, you realise that this is going to be an imposition of aircraft noise on some 50,000 or 60,000 residents who have never had aircraft noise before—my constituents—and who are going to be subjected to this almost daily aircraft noise purely and simply so that somewhere between 10 and 20 extra aircraft a year are able to land at Gold Coast Airport.

On that straightforward basis, on a very basic evaluation of cost-benefit, the simple impact is that the cost far exceeds the benefit that will flow. To subject 50,000 or 60,000 people to almost daily aircraft noise, just so an extra 10 or 20 aircraft a year are able to land at Gold Coast Airport, simply does not make sense. I commend those that were involved in putting together this petition. Many people signed it—nearly 7,000 people—and this was done over just a number of hours, by volunteers on the Gold Coast. It represents a very strong grassroots response in opposition to this proposed new flight path. Everybody wants to see Gold Coast Airport go from strength to strength and everybody wants to see the tourism industry go from strength to strength, but to suggest that, because an extra 10 or 20 aircraft a year get diverted, it is in some way going to impact on the tourism future of our city, is simply not correct. I present the petition.

The petition read as follows—
To the Honourable The Speaker and Members of the House of Representatives
This petition of concerned citizens draws to the attention of the House the proposal by Gold Coast Airport Pty Ltd (GCA) to create a new flight path over the homes of 60,000 Gold Coast residents by installing an Instrument Landing System (ILS) at Gold Coast Airport (the proposal).
We therefore ask the House: to call on the responsible Minister to reject the proposal. We request this because the proposal would create disproportionate negative impacts and is not supported by Government policy, namely:
1. Significant increases in visual, audible and environmental pollution causing a loss of amenity for Gold Coast residents and tourists.
2. It fails to adequately assess health risks identified with living under flight paths.
3. Diminished property values.
4. It's stated objectives of increasing reliability from 99.98% to over 99.99% will not necessarily be achieved.
5. Adverse economic impact of new building height restrictions over the Gold Coast's principal high rise area.
6. The associated costs outweigh its benefits.
7. Information from the GCA during the consultation period lacked independence and transparency.
8. GCA's commercial objectives should not create disproportionate disadvantage to the Gold Coast community.
9. ILS is old technology and is inconsistent with Government policy to deploy modern aviation technology to boost safety and service delivery, e.g., GCA's recently installed RNP system.

We therefore ask the House to do all in its power to reject the proposed new flight path at Gold Coast Airport from 5,515 citizens

Petition received.

Walsh, Mr Brian
Gaze, Mr Lindsay

Mr HUSIC (Chifley) (10:06): I rise to recognise the contribution and the life of Brian Walsh, of our area, who recently and sadly passed away. Brian was a presence in our local area. He was a loyal Labor Party member, but he was particularly loyal and hardworking for the community as a volunteer. Born in Lismore in 1932 and the youngest of nine children, he spent his early life in Lismore and did a stint in the Army in the 1950s. Remarkably, the dates here are that on 24 July 1954 he met a young, attractive usherette from the Nimbin picture show, called Eileen, and by 30 August 1954 he had proposed and by December 1954 he had married Eileen. He was married to her until his passing. He was a dedicated family man who overcame personal tribulations and tests, particularly through cancer affecting him in the 1970s and affecting his employment. But he got through that. He also did a lot of volunteering in our local area, particularly through the Mount Druitt Hospital.

A lot of people gathered to say their farewells to him, and a very moving eulogy was given by former state member for Mount Druitt Richard Amery, a very close and dear family friend. He gave a very moving set of words about Brian's contribution to our local area, in the presence of veterans who were out in force to recognise one of their fallen comrades. To Brian Walsh, vale, and to his wife, Eileen, we pass on the very best. I seek leave to table the eulogy that Richard Amery gave, not only because it is moving but because it is one of the last times you will see typewritten words actually put in Hansard.

Leave granted.

Mr HUSIC: I also want to quickly recognise the contribution of someone else. Jarryd Hayne is doing great things in the NFL, but another Australian was recognised on the weekend. Not too many get inducted into the Basketball Hall of Fame, but Lindsay Gaze of Adelaide, 78, was. He has made a remarkable contribution to the game of basketball, having played for Australia at the 1960, 1964 and 1968 Olympics, coached the Aussies in the 1972, 1976, 1980 and 1984 Olympics and guided the Melbourne Tigers to Australian crowns in 1993 and 1997. He was inducted into the Basketball Hall of Fame on the weekend. It is not often that Australians get inducted there. His son, Andrew, played the game, and I am sure that he and many others would agree that it is a fitting tribute to someone who not only did...
remarkable things for basketball in Australia but was a true gent. He is a great person to be inducted into the hall of fame.

**Member for Warringah**

**Mr CHESTER** (Gippsland—Parliamentary Secretary to the Minister for Defence) (10:09): I rise to pay tribute today to the member for Warringah, our former Prime Minister Tony Abbott, a man whom I respect enormously for his passion, his determination and his dedication to public service. I have also valued the friendship he has offered to me since becoming a member of parliament from 2008 and the professional opportunities he has extended to me in that role, most recently as the Parliamentary Secretary to the Minister for Defence. I thank him for his outstanding service to our nation in what has been a distinguished parliamentary career. He should be proud of his record of achievement and I am confident that history will be kinder to the member for Warringah than perhaps the Australian parliament and the media have been in recent times. He has a strong record of achievement over the past two years, particularly in relation to the three breakthrough free trade agreements, his capacity to work with his ministerial colleagues to regain control of our borders, the abolition of the carbon tax, which was a blight on the Australian economy in an international sense and his efforts to spend in the order of $50 billion on infrastructure for our nation's future.

The removal of the previous leader of the Liberal Party poses some questions for our nation. What is so wrong with Australia that in the past five years we have needed to have four different prime ministers? I suggest that it is a challenge for us in this place, a challenge for the community more generally and a challenge for the media to deal with as well. I suggest there is nothing that cannot be fixed by showing more respect in this place and in our public discourse—and I challenge the media to be part of that as well, by focusing on the national policy debates of significance rather than the personalities in this parliament. There is a requirement for our media to show more responsibility in the way it focuses on issues rather than on personalities. It should not be so concerned about inside gossip but rather work on issues that benefit our nation. The community wants us, in this place, to provide more stability and more certainty to give business the confidence to invest and provide jobs for the future. So I lay out that challenge to the people of Australia, to the media of this place and to the members of this place as well—how are we going to work to provide that stability into the future?

I congratulate the new Prime Minister, the member for Wentworth. I think he has a huge job in front of him in being a healer for our nation and in trying to find ways to unite Australia in a more bipartisan spirit on a range of significant issues that confront our communities. Certainly he faces a challenge in uniting his own party, and I urge my colleagues in the Liberal Party to work with the member for Wentworth in a constructive way into the future. There are massive challenges facing our future and I believe that a strong coalition agreement between the Nationals and the Liberal Party is the way forward. Providing jobs for our young people, providing for the nation's security, providing for our defence forces and issues related to health and education services—these are the challenges and the issues that the people of Australia want us talking about in this place. They do not want us talking about ourselves. They want us focused on the future.
In standing here today, I congratulate the member for Warringah on his achievements and I wish the member for Wentworth well in his new responsibilities as the Prime Minister of Australia.

**Lalor Electorate: Schools**

Ms RYAN (Lalor—Opposition Whip) (10:12): It is the last week of term 3 in Victorian schools. Term 3 is an incredible term. People work tirelessly across the term preparing senior students and, of course, students are finishing the last week of term 3 looking forward to the examination period. Term 3 also sees schools receive the detailed reports on school performance in NAPLAN, the National Assessment Program—Literacy and Numeracy. Across the last five weeks in my electorate in Lalor, where there are over 50 schools, many of those schools have been carefully studying the levels of student growth that they are achieving on an individual student basis, on a class basis, on a school basis and even across schools in networks. They are looking at whether children are meeting their milestones; they are celebrating the great achievements that have been made in student growth across a two-year period. They are also identifying the challenges—identifying the areas where they can do better in their classrooms and the areas of the next learning for their groups of students.

This is incredibly important work. They are validating or challenging what the NAPLAN results—that one-off test—tell them about students' learning across the last two years and then setting up children's learning across the next two years. It is incredible work. The challenge, of course, is improvement at scale. The challenge is in getting all of our schools into an improvement cycle. Of course, as a country, this is one of our biggest challenges. It is why the previous Labor government had its education review. That found that we needed equity in resourcing as an absolute priority. It also highlighted that we needed teacher quality—pre service and for those existing teachers we need to implement a culture and a system that continues to train our teachers as they embed in our schools.

I noted yesterday our new Prime Minister talking about the opportunities and challenges of a rapidly globalised economy. He said:

We know that our future lies in technology. It lies in science. It lies in all of the new industries. It lies in the future.

Today I would like to call on our new Prime Minister to please make education a priority when considering your cabinet and considering the future. Education has not been a priority in the previous two years. Promises were made and broken. It is time now to revisit those, to look to the future and to ensure that our schools get the resourcing that they need.

An enormous report was delivered in this place and it needs to be addressed. I call on the Prime Minister to think seriously. Give us a minister who cares about education. Give us a minister who understands the issues around education.

**Bradfield Electorate: Sydney Adventist Hospital**

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (10:15): I am very pleased to rise to mention some significant developments at a very major institution within my electorate, the Sydney Adventist Hospital, fondly known as the 'San'. The San is an extremely impressive operation. It is a private hospital and does tremendous work. It has well over 400 beds, 2,300 staff, 500 volunteers and 900 accredited medical practitioners and had more than 53,000 inpatients and 180,000
outpatients last year. The San has just been through a very substantial upgrade, a $200 million redevelopment, that includes the new Maternity, Women's Health and Children's Unit and an integrated cancer centre and healing garden, and there is capacity for up to an extra 200 hospital beds and 12 operating theatres.

Unusually, for a private hospital, the San has an emergency room. It is also a teaching hospital for the Sydney University Medical School. The teaching facilities, under the guidance of Professor John Watson, are extremely impressive. I was there at the hospital and the teaching facilities just a couple of weeks ago watching medical students experiencing a simulation in a room full of technology. There was a very life-like dummy and situations were being simulated that put them under considerable pressure—as they reflected on in the debrief session afterwards which I sat in on.

The San has, for many years, been led by a very distinguished doctor and medical administrator, Dr Leon Clark. He has only just retired. He served for over 20 years. It was a time of tremendous change and growth at the San but it continued its remarkable longstanding tradition of serving the people of not just Northern Sydney but also other areas around Australia. Given the San's specialisation, patients often come from other parts of Australia and, indeed, other parts of the world.

I also want to acknowledge Phil Currie, who was recently appointed as the new chief executive. Phil is a longstanding medical administrator at the San, having served as deputy chief executive for many years. And much as his predecessor, Dr Leon Clark, had a medical background, Phil comes from the operational side of the business, having been a nurse and Director of Nursing Services at one point. So the San has been in good hands for many years. I pay tribute to the tremendous work that Dr Leon Clark did leading the San. I congratulate Phil Currie as the new chief executive and I congratulate all who work at the San for their service to our community.

Domestic Violence

Mr ZAPPIA (Makin) (10:18): According to a recent posting, as of 10 September this year, 62 women have died from domestic violence incidents. That is an average of nearly two deaths a week. If the domestic violence deaths of children, males and unsolved missing persons are including, the number would most likely be greater. These figures do not include the daily physical assaults that occur, the cases of violence that are never reported, the number of women living every day in fear of the next physical assault or the trauma of children who not only are assaulted themselves but also frequently witness their mother being assaulted. Sadly, despite years of many well-intended community prevention programs, domestic violence in Australia has reached a crisis point and it touches every community.

Earlier this year, I was told of a local woman in my electorate who had committed suicide in a local park. All indications point to the woman having lived a tormented life in a repressed household and having suffered in silence. This death was possibility not recorded as a domestic violence case. In another case, I was told of a woman who was hospitalised having suffered a stroke as a result of being assaulted by her violent husband. This was not the first time that she had been assaulted by him. Even then, she and other family members were reluctant to involve the police for fear of the possible consequences. Both cases highlight how serious domestic violence is and the level of suffering family members will ensure and still not seek help.
Whether domestic violence is increasing is difficult to know because the statistics that are available do not tell the complete story and never have. Nor is domestic violence confined to a particular sector of society. I do note, however, that in recent years two factors featured frequently in domestic violence incidents. The first is alcohol and drug abuse, which not only changes a person's mental state but makes the offender uncontrollable and perhaps unaware of their actions. The second is the bitterness and anguish arising from marriage breakdowns, messy divorces and child custody battles. Sadly, children sometimes become victims of the bitterness that is caused.

There is no simple solution to domestic violence. Many good people have, over the years, initiated worthwhile programs that I expect have made a difference. The member for Franklin is in the chamber. When she was the responsible minister in the last Labor government, she initiated a range of programs, including the Our Watch program, specifically for this purpose. Nor is domestic violence a matter that police, welfare agencies, courts or governments alone, or even collectively, can resolve. Domestic violence is a whole of community responsibility which we cannot continue to ignore or consider to be someone else's problem.

While there is no easy, obvious solution the Leader of the Opposition has called for a national summit on domestic violence where perhaps the issue can be openly addressed, expert opinions sought and some sensible actions agreed to. If a summit is held and the outcome is that one life is saved, it will have been worthwhile. What I do know is that action is urgently required. (Time expired)

Macarthur Electorate: Broadband

Mr MATHESON (Macarthur) (10:22): This week I received correspondence from Google that included new research from PricewaterhouseCoopers entitled 'Small business digital growth: the potential for internet and mobile technologies to transform small business'. PwC's research found that there is an additional $49.2 billion in untapped economic potential over 10 years from small business in this country making use of the internet and mobile technologies. The research also found that 53 per cent of this benefit could be realised outside metropolitan areas, including regional and rural Australia. Small businesses in my electorate of Macarthur contribute an estimated $1.562 billion to the Australian economy. PwC states that internet technology can potentially unlock an additional $187 million in economic output over 10 years. This is equivalent to $38,000 for each of the approximately 4,900 small businesses in Macarthur.

Why is this support not here? Last month Senator Deborah O'Neill, on a fly-by-night visit to Macarthur, claimed: 'The NBN in Ruse, Kentlyn and Ambarvale will have superfast broadband to the street corner. Then service will crawl to old speeds when it gets to the 100-year-old copper network at their homes.' Senator O'Neill, with all her wisdom and expertise in cutting-edge internet technology, described the NBN as being like 'a 20-lane freeway having to merge into a one-lane goat track'. I am not questioning Senator O'Neill's ability to herd goats or drive down from Newcastle at the behest of the unions. However, I do contest the rubbish and lies she is propagating about the NBN in Macarthur.

Firstly, the coalition's NBN is designed to provide a minimum of 25 megabits per second to all homes and businesses and at least 50 megabits per second to 90 per cent of premises in the fixed line footprint. To put this in perspective, a 25 megabit per second service will allow five people on the same connection to each be watching a high-definition video stream
simultaneously. Does this sound like a goat track to you? Secondly, if parts of the copper wiring are found not to be capable of delivering adequate services to end users, the NBN is committed to remediation works to bring it to the required speeds. Therefore, Senator O'Neill's claim that the 100-year-old copper network will slow the NBN to current speeds is simply not true. I would urge the people of Macarthur to see it for what it is: a downright lie.

Importantly, more than 40,000 homes in Macarthur will receive superfast broadband in the 2016 rollout thanks to the government, 10 years sooner than Labor's failed NBN strategy. If Labor was in power, residents of Macarthur would have to wait another decade for fast internet. Senator O'Neill, and Labor for that matter, wilfully ignore the fact that currently 50 per cent of premises in Macarthur can only get nine megabits per second or less. Labor believe that all these people can wait a decade for the NBN. Apparently they do not care that this would be unimaginably frustrating for people in Macarthur. Labor do not care that local businesses would not be able to innovate and compete and the local economy would miss out on $187 million of additional economic output over the next 10 years. I would like to repeat that Labor's NBN would not have been delivered for another 10 years and, in that time, Macarthur would lose out on $187 million of economic output. Labor promised the world on the back of a drink coaster and delivered nothing in relation to the NBN.

**Turnbull Government: Tasmania**

Ms COLLINS (Franklin) (10:25): What we have seen this week is something that the coalition government said they would never do. We have seen the tearing down of a first-term Prime Minister. In my home state of Tasmania, we have people questioning what this might actually mean. While there is some relief that they are finally rid of the member for Warringah, they are concerned that it will mean no change to the cuts that Tasmania has been subjected to under the coalition government.

We had our Premier, Will Hodgman, a Liberal Premier, call on the former Prime Minister for the return of $2.1 billion in cuts to health and education in the state of Tasmania. More than $680 million was cut from schools, and more than $1.1 billion was cut from hospitals and health. We have seen a cut of over $100 million to the Midland Highway upgrade. The Liberal government promised that they would duplicate the road, and they have now admitted that that will not occur. We have had a cut of $120 million to freight rail. We have had financial assistance grants cuts to local government of more than $18 million. We have got the proposed cuts to family payments, which will impact hard on Tasmanians, and the proposed cuts to Paid Parental Leave. We have seen already the cuts for some part-pensioners, and the government still seems inclined to support $100,000 degrees. Indeed, the new Prime Minister said just this week:

> The reality … is that we support all of our policies and all of our measures.

That is very concerning for the people in Tasmania.

The people in Tasmania are concerned about the rollout of the NBN. Tasmania was supposed to be connected first and get first-mover advantage. The rollout in Tasmania has been delayed by more than 12 months in terms of where it would be up to had Labor remained in office. He promised faster rollout of the NBN, at a lower cost, and that will not be delivered. But really concerning for Tasmanians is an editorial today in one of the Murdoch papers in Tasmania, which says that Tasmania's best interests would be in a change
in climate and renewable energy policy, because that would have huge economic ramifications for Tasmania:

Mr Turnbull did not mention climate change, asylum seekers or marriage equality—not a word. Yet these are the three policy issues that most Australians would probably identify as those which distinguish Turnbull from his predecessor.

Yet we saw yesterday that the new Prime Minister is going to be the same as the old Prime Minister on these policies, so there actually will be no change in policies. So we still have the same Liberal government impacting on cuts and policies in Tasmania that Tasmanians do not agree with. We still have Tasmanians concerned about the impact that the Liberal government will have on the Tasmanian economy. The changes that the Tasmanian economy needs are clearly not going to be forthcoming from the Liberal government. If people want change, they need to vote Labor.

**Lindsay Electorate: Penrith Valley Sports Foundation Awards**

Ms SCOTT (Lindsay) (10:28): On Friday we saw a wonderful event take place at Panthers—the Penrith Valley Sports Foundation annual night of nights, where we as a community got to acknowledge some of the best and brightest sports stars, administrators and rising stars across our community. I would like to thank Terry McCallum and the Penrith Valley Sports Foundation for the work that they did and for acknowledging some of our really wonderful local identities.

The Sports Administration Award went to Les Knox. Les has been an administrator of the Leonay Golf Club for over 30 years. The Multidisability Award went to Courtney Cook. Courtney has played tennis for many years. She is 15 years old, has been diagnosed with autism and competes in the able-bodied section—and competes well above her age. The Volunteer Award went to Craig Lonard. Craig has been a member of the Cranebrook Little Athletics Centre for 13 years and has served on the executive and the general committee. The Coach Award went to Shane Summersford. Shane took the first-grade baseball team from fourth position to claim Penrith Baseball Club's first premiership in the New South Wales State Baseball League. The referee award went to John Rohloff. John was appointed to the FINA Open Water Referee list for 2015 to 2019. He was awarded one of only two Australian Sports Commission Officiating Scholarships.

The Jim Anderson Memorial Award went to Warren Smith. Warren Smith is known to many local people and, for many years—in fact, 30 years—has served as chairman of the St Marys Rugby League Club. He has been heavily involved in youth development and helping many young people right across our community. This season, St Marys Rugby League has fielded 45 teams in the Penrith Championship, which is a phenomenal effort.

The Junior Sports Star Award went to Joshua McLachlan. Joshua McLachlan is a member of Werrington Little Athletics. He also plays rugby league and was selected for the Penrith development squad. The Rising Star Award went to Shane Munaweera, a very talented runner, long jumper and discus and hammer thrower. He was chosen to represent New South Wales at the Australian Little Athletics Championships in Melbourne. The Senior Sports Star Award went to Shelley Watts. Shelley won a gold medal in the Commonwealth Games Women's Light—57 to 60 kilogram—category in Glasgow in 2014. The Team of the Year Award went to Penrith Baseball Club.
These are some wonderful awards and some wonderful stars who are going to be doing some fabulous work well into the future. I would like to congratulate all of the winners and thank the Penrith Valley Sports Foundation for continuing to support our local sports stars.

The DEPUTY SPEAKER (Mrs Wicks): In accordance with standing order 193 the time for constituency statements has concluded.

Federation Chamber adjourned at 10:32
QUESTIONS IN WRITING

Education and Training: Contracted Services Payments
(Question No. 893)

Mr Conroy asked the Minister for Education and Training, in writing, on 17 August 2015:
In respect of fees for late or delayed payment of contracted services or products by the Minister's department(s) in 2014–15, (a) which services or products do these fees relate to, and (b) what sum was spent.

Mr Pyne: The answer to the honourable member's question is as follows:
The Department of Education and Training has not incurred any charges for late fees relating to late or delayed payments for the 2014–15 financial year.

Social Services: Contracted Services Payments
(Question No. 894)

Mr Conroy asked the Minister for Social Services, in writing, on 17 August 2015:
In respect of fees for late or delayed payment of contracted services or products by the Ministers department(s) in 2014-15, (a) which services or products do these fees relate to, and (b) what sum was spent.

Mr Morrison: The answers to the honourable member's question are as follows:
(a) The fees relate to the late payment of departmental supplier invoices for a range of goods and services.
(b) In 2014-15 DSS paid $3,478.63 for late payment fees.

Social Services: Offices Efficiency Upgrades
(Question No. 930)

Mr Conroy asked the Minister for Social Services, in writing, on 17 August 2015:
In respect of the Minister's departmental office(s), has the building(s) received energy efficiency upgrades; if so, (a) when, and (b) how has this upgrade affected (i) average energy use, and (ii) average energy cost.

Mr Morrison: The answer to the honourable member's question is as follows:
None of the Minister's departmental offices have received energy efficiency upgrades since 1 July 2014.

Education and Training: Consultants
(Question No. 947)

Mr Conroy asked the Minister for Education and Training, in writing, on 17 August 2015:
In respect of the use of (a) consultants, and (b) contractors, by the Minister's department(s) in 2014–15, (i) what total sum was spent, (ii) what services were provided, and (iii) which firms provided the services.

Mr Pyne: The answer to the honourable member's question is as follows:
The full details of consultants and contractors at $10,000 or more in value used by the Minister's department during the financial year 2014–15 can be found on the AusTender website.
Social Services: Consultants
(Question No. 948)

Mr Conroy asked the Minister for Social Services, in writing, on 17 August 2015:

In respect of the use of (a) consultants, and (b) contractors, by the Minister's department(s) in 2014-15, (i) what total sum was spent, (ii) what services were provided, and (iii) which firms provided the services.

Mr Morrison: The answer to the honourable member's question is as follows:

(a) Consultants
   (i) The total sum spent on consultants by the Department of Social Services (DSS) including the Social Security Appeals Tribunal (SSAT) during the 2014-15 financial year was $13.1 million.
   (ii) Details on the services provided are publicly available through AusTender (www.tenders.gov.au).
   (iii) Details on the firms providing the services are publicly available through AusTender (www.tenders.gov.au).

(b) Contractors
   (i) The total sum spent on contractors by DSS and SSAT during the 2014-15 financial year was $129.92 million.
   (ii) Details on the services provided are publicly available through AusTender (www.tenders.gov.au).
   (iii) Details on the firms providing the services are publicly available through AusTender (www.tenders.gov.au).

Agriculture: Office Equipment
(Question No. 1018)

Mr Conroy asked the Minister for Agriculture, in writing, on 17 August 2015:

What sum did the Minister's department spend in 2014-15 on the purchase and/or lease of (a) food and beverage equipment, and (b) exercise equipment, for staff in the (i) Minister's office, and (ii) departmental office(s).

Mr Joyce: The Minister for Agriculture has provided the following answer to the honourable member's question:

(a) (i) Nil
   (ii) $23,834
(b) (i) Nil
   (ii) Nil

Education and Training: Office Equipment
(Question No. 1019)

Mr Conroy asked the Minister for Education and Training, in writing, on 17 August 2015:

What sum did the Minister's department spend in 2014-15 on the purchase and/or lease of (a) food and beverage equipment, and (b) exercise equipment, for staff in the (i) Minister's office, and (ii) departmental office(s).
Mr Pyne: The answer to the honourable member's question is as follows:

For the 2014–15 financial year, no items in the procurement records for the Department of Education and Training can be attributed specifically to the categories provided.

Agriculture: Office Refurbishment
(Question No. 1072)

Mr Conroy asked the Minister for Agriculture, in writing, on 17 August 2015:

What sum did the Minister's department spend in 2014-15 on (a) office refurbishment, and when and where did this occur, and (b) the purchase and/or lease of office furniture.

Mr Joyce: The Minister for Agriculture has provided the following answer to the honourable member's question:

(a) The department undertook the following office refurbishments in 2014-15:

<table>
<thead>
<tr>
<th>Location (Where)</th>
<th>When</th>
<th>Office Refurbishment Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT Head Office</td>
<td>May - June 2015</td>
<td>$ 152 000</td>
</tr>
<tr>
<td>Sydney Regional Office</td>
<td>May - June 2015</td>
<td>$ 40 000</td>
</tr>
<tr>
<td>Brisbane Regional Office</td>
<td>July – October 2014</td>
<td>$ 1 264 000</td>
</tr>
<tr>
<td>Sydney International Airport</td>
<td>February – June 2015</td>
<td>$ 103 000</td>
</tr>
<tr>
<td>Perth International Airport</td>
<td>July 2014 – June 2015</td>
<td>$ 464 000</td>
</tr>
<tr>
<td>Darwin International Airport</td>
<td>July 2014 – March 2015</td>
<td>$ 221 000</td>
</tr>
</tbody>
</table>

International Portfolio—Department of Agriculture

All office refurbishment is undertaken by the Department of Foreign Affairs and Trade (DFAT). The department has not paid for any office refurbishment at international locations in 2014-15.

(b) The department spent $728 575 on the purchase of office furniture in 2014-15. The department does not lease office furniture.

Agriculture: Departmental Staff Lost and Stolen Equipment
(Question No. 1176)

Mr Conroy asked the Minister for Agriculture, in writing, on 17 August 2015:

In 2014-15, what sum was spent on replacing lost, stolen or misplaced equipment of departmental staff, and what goods were replaced.

Mr Joyce: The Minister for Agriculture has provided the following answer to the honourable member's question:

The department's financial management system cannot distinguish between items that were purchased as a result of having been lost, stolen or misplaced and those that were purchased for any other purpose; e.g. end of life replacement or new purchases.

It would require an unreasonable diversion of departmental resources to respond to this question.

Social Services: Minister and Ministerial Staff Domestic and International Travel Costs
(Question No. 1230)

Mr Conroy asked the Minister for Social Services, in writing, on 17 August 2015:
(1) In 2014-15, what sum was spent on (a) domestic travel, and (b) international travel, for departmental staff.

(2) Of this, (a) on what dates, and to what locations, did the Minister travel, (b) how many departmental staff accompanied the Minister on this travel, and (c) for what purpose was the travel.

Mr Morrison: The answer to the honourable member's question is as follows:

(1) For the 2014-15 financial year, the Department's expenditure on domestic and international travel was $6,373,061 (GST exclusive):

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Travel</td>
<td>$6,219,182</td>
</tr>
<tr>
<td>International Travel</td>
<td>$153,879</td>
</tr>
<tr>
<td>Total</td>
<td>$6,373,061</td>
</tr>
</tbody>
</table>

(2) (a) For travel conducted by the Minister, the Department of Finance will provide a response to this question on behalf of all portfolios.

(b) and (c) In the 2014-15 financial year, no Departmental staff members accompanied the Minister on travel.

**Social Services: Ministerial Media Events**

(Question No. 1362 and 1363)

Mr Conroy asked the Minister for Social Services and the Minister representing the Assistant Minister for Social Services in writing, on 17 August 2015:

In respect of ministerial costs for media events and photo opportunities in 2014-15, what (a) date was each event held, (b) location was each event held at, (c) sum was spent on each event, (d) announcement and/or issue did the event relate to, and (e) was the expenditure for.

Mr Morrison: The answer to the honourable member's question is as follows:

In 2014-15 there was no expenditure incurred by the Department of Social Services on ministerial media events and photo opportunities.

**Agriculture: Department Conferences**

(Question No. 1384)

Mr Conroy asked the Minister for Agriculture, in writing, on 17 August 2015:

Did the Minister's department host any conferences in 2014-15; if so (a) on what date(s) did each conference occur, and at what location(s), (b) what total sum was spent on each conference, and of this, what sum was spent on (i) meals and accommodation, and what are the details, (ii) travel, and what are the details, and (iii) social events, and what are the details, (iv) travel, and what are the details, and (c) what outcomes were achieved at each conference.

Mr Joyce: The Minister for Agriculture has provided the following answer to the honourable member's question:

The details of conferences held by my department are provided in Attachment A.

<table>
<thead>
<tr>
<th>(a) Date</th>
<th>(b) Location</th>
<th>(b) (i) Total</th>
<th>(b) (i) Meals/</th>
<th>(b) (i) Meals/</th>
<th>(b) (ii) No of</th>
<th>(b) (ii) Form of</th>
<th>(b) (iii) Social</th>
<th>(c) Outcomes Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/07/2014</td>
<td>Katherine</td>
<td>12 307</td>
<td>2 027</td>
<td>2 nights</td>
<td>5 071</td>
<td>5</td>
<td>Flights and car hire</td>
<td>N/A</td>
</tr>
<tr>
<td>Date</td>
<td>Location</td>
<td>Total $</td>
<td>Meals/ Accom $</td>
<td>Meals/ Accom Details</td>
<td>Travel $</td>
<td>No of travellers</td>
<td>Form of travel</td>
<td>Social Event $</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------</td>
<td>---------</td>
<td>----------------</td>
<td>----------------------</td>
<td>----------</td>
<td>------------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>31/07/2014</td>
<td>Goondiwindi</td>
<td>7 704</td>
<td>984</td>
<td>2 nights accommodation</td>
<td>1 875</td>
<td>4</td>
<td>Flights and car hire</td>
<td>Nil</td>
</tr>
<tr>
<td>21/08/2014</td>
<td>Albany</td>
<td>12 121</td>
<td>3 864</td>
<td>2 nights accommodation</td>
<td>5 373</td>
<td>4</td>
<td>Flights and car hire</td>
<td>Nil</td>
</tr>
<tr>
<td>18/09/2014</td>
<td>Wodonga</td>
<td>7 515</td>
<td>1 490</td>
<td>2 nights accommodation</td>
<td>510</td>
<td>6</td>
<td>Car hire</td>
<td>Nil</td>
</tr>
<tr>
<td>15/10/2014</td>
<td>Armidale</td>
<td>8 531</td>
<td>984</td>
<td>2 nights accommodation</td>
<td>2 023</td>
<td>4</td>
<td>Flights and car hire</td>
<td>Nil</td>
</tr>
<tr>
<td>24/10/2014</td>
<td>Canberra</td>
<td>890</td>
<td>890</td>
<td>Lunch</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>03-04/03/2015</td>
<td>Canberra</td>
<td>403 471</td>
<td>95 096</td>
<td>Catering for all delegates</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>29/04/2015</td>
<td>Devonport</td>
<td>11 377</td>
<td>1 080</td>
<td>2 nights accommodation</td>
<td>1 743</td>
<td>4</td>
<td>Flights and car hire</td>
<td>Nil</td>
</tr>
<tr>
<td>20-22/05/2015</td>
<td>Pattaya, Thailand</td>
<td>107 907</td>
<td>34 525</td>
<td>Rooms, breakfast, lunch and dinners</td>
<td>50 023 (Department's share: $14 856)</td>
<td>3</td>
<td>Flights 1 075</td>
<td>Welcome reception for delegates to the annual Quarantine Regulators meeting</td>
</tr>
<tr>
<td>27-28/05/2015</td>
<td>Canberra</td>
<td>53 797</td>
<td>22 800</td>
<td>Conference catering for all delegates</td>
<td>58</td>
<td>1</td>
<td>Taxi</td>
<td>Nil</td>
</tr>
<tr>
<td>10/06/2015</td>
<td>Strathalbyn</td>
<td>10 424</td>
<td>1 304</td>
<td>2 nights accommodation</td>
<td>2 327</td>
<td>4</td>
<td>Flights and car hire</td>
<td>Nil</td>
</tr>
<tr>
<td>16 - 18/06/2015</td>
<td>Canberra</td>
<td>2 040</td>
<td>2 040</td>
<td>3 morning teas.</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Notes

1. The ABARES Northern Territory Regional Outlook conference held in Katherine delivered current commodity data, forecasts and industry analysis to farmers and other stakeholders to inform business planning and decision making, discussion of key regional issues, engagement with ABARES stakeholders including farm survey participants.

2. The ABARES Queensland Regional Outlook conference held in Goondiwindi delivered current commodity data, forecasts and industry analysis to farmers and other stakeholders to inform business planning and decision making, discussion of key regional issues, engagement with ABARES stakeholders including farm survey participants.

3. The ABARES Western Australia Regional Outlook conference held in Albany delivered current commodity data, forecasts and industry analysis to farmers and other stakeholders to inform business planning and decision making, discussion of key regional issues, engagement with ABARES stakeholders including farm survey participants.

4. The ABARES Victoria Regional Outlook conference held in Wodonga delivered current commodity data, forecasts and industry analysis to farmers and other stakeholders to inform business planning and decision making, discussion of key regional issues, engagement with ABARES stakeholders including farm survey participants.

5. The ABARES New South Wales Regional Outlook conference held in Armidale delivered current commodity data, forecasts and industry analysis to farmers and other stakeholders to inform business planning and decision making, discussion of key regional issues, engagement with ABARES stakeholders including farm survey participants.

6. To advise stakeholders of developments relating to Biosecurity regulation including the Biosecurity Bill 2014, Import Risk Analysis Examination and the cost-recovery review.

7. The ABARES Outlook Conference held in Canberra discussed issues that underpin the profitability of the Australian agriculture sector, including opportunities from increasing global food demand, access to international markets, trends in productivity and technology, and improving the business environment for agricultural producers through innovative financing solutions and reductions in regulatory burdens.

8. The ABARES Outlook Conference held in Devonport delivered current commodity data, forecasts and industry analysis to farmers and other stakeholders to inform business planning and decision making, discussion of key regional issues, engagement with ABARES, stakeholders, including farm survey participants.

9. The conference held in Pattaya, Thailand presented specific examples where cooperative biosecurity initiatives for cargo have been implemented providing a valuable opportunity for other agencies to consider if similar approaches would be relevant in their countries. This supports the Department’s strategic objective of promoting effective biosecurity risk mitigation measures prior to export where practical and effective with the intention to reduce post-border intervention. The initiatives covered were:

### QUESTIONS IN WRITING
Motor Vehicle Inspection Program (Thailand)
Free Trade Zone (Malaysia)
Response to emerging pest risks on cargo (Australia)
Used vehicle imports (New Zealand)
E-certification for treatment certificates (Indonesia)
Transitional facilities for imported sea containers (New Zealand)
Methyl bromide management under the Montreal Protocol (UNEP)
Biosecurity risk analysis seminar (CEBRA).

The conference was co-hosted by the Thai Department of Agriculture and the Australian Department of Agriculture. Participating were 65 officials representing 31 agencies from 23 countries. The conference was funded by the Australian Department of Agriculture with support through the Australian Department of Foreign Affairs and Trade's Government Partnerships for Development (GPFD) program. The department's share was $46 430 with 3 departmental officers attending at a cost of $14 856.

10. The Department of Agriculture National Science Exchange conference held in Canberra is one of the key actions arising from the department's 2013-2018 science strategy. It allowed staff to exchange scientific knowledge and build stronger networks with internal and external colleagues and to strengthen the skills and knowledge base of participants to benefit the department's scientific capacity.

11. The ABARES Outlook Conference held in Strathalbyn delivered current commodity data, forecasts and industry analysis to farmers and other stakeholders to inform business planning and decision making, discussion of key regional issues, engagement with ABARES.

12. The Maritime Reforms meeting held in Canberra addressed planning activities in preparation for implementation of current maritime reforms. This includes the development of the Maritime Arrivals Reporting System (MARS) and associated policies, instructional material, communications and training initiatives.

Employment: Public Inquiries
(Question No. 1502)

Mr Conroy asked the Minister representing the Minister for Employment, in writing, on 7 September 2015:

(1) Can the Minister provide data on public enquiries made between September 2013 and September 2015 to the Fair Work Ombudsman helpline, including the (a) frequency, and (b) topic or nature, of each call. (2) Has there been an increase or decrease annually in the average number of (a) calls received, and (b) enquiries made by topic or nature.

Mr Pyne: The Minister for Employment has provided the following answer to the honourable member's question:

(1) (a) From 1 September 2013 to 31 August 2014, the Fair Work Infoline answered 402,160 calls, including 118,389 calls to the Small Business Helpline (from its commencement on 6 December 2013).

From 1 September 2014 to 31 August 2015, the Fair Work Infoline answered 440,413 calls, including 129,516 calls to the Small Business Helpline.

(b) The top ten most frequent types of enquiry to the Fair Work Infoline, including the Small Business Helpline, for the two annual periods ending 31 August 2014 and 2015 respectively, are set out in the table below.

Fair Work Infoline (including Small Business Helpline) top ten enquiry types
(2) (a) The Fair Work Infoline recorded an increase of 9.5 per cent in calls answered in the year to 31 August 2015, compared to the preceding year.

(b) The percentage of the total number of calls that relate to each of the top ten most frequent enquiry types has remained relatively constant, with no changes for seven enquiry types and a slight decrease for three enquiry types.

**Employment: Ministerial Staff Training**

*(Question No. 1503)*

**Mr Conroy** asked the Minister representing the Minister for Employment, in writing, on 7 September 2015:

What costs did the department incur resulting from the Minister's visit to the McDonald's Training Centre in Sydney on 26 August 2015.

**Mr Pyne:** The Minister for Employment has provided the following answer to the honourable member's question:

The Minister for Employment did not visit any training centre on 26 August 2015, therefore no costs were incurred by the Department.