### INTERNET


### SITTING DAYS—2012

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FORTY-THIRD PARLIAMENT
FIRST SESSION—FIFTH PERIOD
Governor-General

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

House of Representatives Office holders

Speaker—Hon. Peter Neil Slipper MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker’s Panel—Hon. Dick Godfrey Harry Adams MP,
Ms Sharon Leah Bird MP; Mr Anthony Crook MP; Mrs Yvette Maree D’Ath MP,
Mr Steven Georganas MP; Ms Sharon Joy Grierson, MP Dr Andrew Keith Leigh MP,
Ms Kirsten Fiona Livermore MP; Mr Geoffrey Raymond Lyons MP,
Mr Robert George Mitchell MP; Mr John Paul Murphy MP; Mr Robert James Oakeshott MP,
Mr Bernard Fernand Ripill MO; Mr Michael Stuart Symon MP,
Mr Kelvin John Thomson MP; Ms Maria Vamvakou MP,
Mr Antony Harold Curties Windsor

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

Party Leaders and Whips

Australian Labor Party

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

Liberal Party of Australia

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

The Nationals

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

Printed by authority of the House of Representatives
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<td>Zappia, Tony</td>
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**PARTY ABBREVIATIONS**

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

**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing  
Clerk of the House of Representatives—B Wright  
Secretary, Department of Parliamentary Services—A Thompson
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<td><strong>Minister for Social Inclusion</strong></td>
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<td>The Hon Warren Snowdon MP</td>
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<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
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<tr>
<td><strong>Treasurer</strong> (Deputy Prime Minister)</td>
<td>The Hon Wayne Swan MP</td>
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<td>The Hon David Bradbury MP</td>
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<td>The Hon Julie Bishop MP</td>
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<td>The Hon Warren Truss MP</td>
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<tr>
<td><em>Shadow Parliamentary Secretary for Roads and Regional Transport</em></td>
<td>Mr Darren Chester MP</td>
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<td>Senator the Hon Eric Abetz</td>
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<td><strong>Shadow Minister for Employment Participation</strong></td>
<td>The Hon Sussan Ley MP</td>
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<tr>
<td><strong>Shadow Attorney-General</strong></td>
<td>Senator the Hon George Brandis SC</td>
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<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</td>
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<tr>
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<td>The Hon Kevin Andrews MP</td>
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The SPEAKER (Hon. Peter Slipper) took the chair at 09:00, made an acknowledgement of country and read prayers.

STATEMENTS

Relevance

The SPEAKER (09:01): Before I call on government business, I would just like to make some remarks in relation to relevance. I would like to remind honourable members about the operation of the rule relating to relevance. Standing order 76 provides that, in the conduct of debate, a member must speak only on the subject matter of a question under discussion. There are some specific exceptions to the application of the relevance rule. These are:

- the adjournment debates in the House and the Federation Chamber of the House of Representatives;
- the debate on the address-in-reply to the Governor-General's speech;
- the debate on the budget bill and subsequent appropriation bills for the ordinary annual services of government; and
- the grievance debate.

With these exceptions, honourable members should ensure their speeches are relevant to the question before the House.

When the House debates bills cognately, a debate is permitted on the package of bills generally.

If a member moves an amendment to a motion before the House, including an amendment to the second reading of a bill, the member is considered to be speaking both to the original question and the amendment. All members speaking subsequently speak to the original question and the amendment. Thus the effect of moving an amendment can be to widen the debate to include matters covered by the amendment. However, I note that an amendment must, itself, be relevant to the original question. If a member has spoken to an original question and an amendment is moved, the member can speak again, but must confine any remarks to the amendment.

During the detail stage of a bill, when amendments are moved, honourable members must confine their remarks to the amendments. It is not permissible to revisit the bill generally when debating the amendments.

Finally, I remind honourable members that when they move a motion to suspend standing and sessional orders they should confine their remarks to the reasons for the suspension. It is not an opportunity to debate the substantive motion which is the subject of the suspension.

I table this statement for the information of the House, and copies will be available to honourable members.

BILLS

Indirect Tax Laws Amendment (Assessment) Bill 2012

First Reading

Bill and explanatory memorandum presented by Mr Bradbury.

Bill read a first time.

Second Reading

Mr BRADBURY (Lindsay—Parliamentary Secretary to the Treasurer) (09:04): I move:

That this bill be now read a second time.

The bill establishes a system of self-assessment for the administration of the indirect tax laws and makes other changes to the indirect tax laws which relate to several recommendations arising from the Board of
Taxation's review of the legal framework for the administration of the GST.

Schedule 1 amends the tax law to harmonise the self-actuating system for GST, the luxury car tax, the wine equalisation tax and fuel tax credits with the income tax system of self-assessment. In doing so, the amendments give effect to recommendations 19 and 21 of the Board of Taxation's review.

These amendments are consistent with the government's continuing focus on simplifying the tax system, and implement improvements to the tax laws that have been contemplated by governments for nearly two decades.

The amendments in schedule 1 create an assessment system for indirect taxes such as GST, largely based on the income tax assessment provisions contained in part IV of the Income Tax Assessment Act 1936 but written using the tax code conventions and drafted generically in a way that could be applied across all taxes. Established income tax self-assessment principles have been directly adopted where appropriate, with some modifications to allow for the special features of indirect taxes.

The amendments not only formalise the administration of indirect tax laws but also bring indirect taxes in line with income tax and other taxes that are already the subject of self-assessment or assessment by the commissioner. This will reduce the need for advisers and administrators to have specialist knowledge of unique income tax or GST administration provisions and will result in a reduction in compliance and administrative costs in the longer term.

These generic provisions will also apply to the new mining tax, resulting in a reduction in the amount of legislation that would otherwise be in the tax system. In time, it is anticipated that these assessment provisions will apply to income tax, which will enable the repeal of the current income tax assessment provisions contained in the Income Tax Assessment Act 1936.

Under the new assessment regime, indirect tax liabilities and entitlements will depend on an assessment. In most cases, lodgement of a business activity statement, or BAS, will trigger a self-assessment. The commissioner will be taken to have made an assessment, and the BAS will be treated as a notice of assessment. The taxpayer is required to pay the assessed net amount (if it is positive) and is entitled to receive a refund if the assessed net amount is negative. The amount payable or refundable is worked out in accordance with the information on the BAS.

Similar to income tax, the assessment of a taxpayer's assessable amount for a tax period or fuel tax return period gives rise to a four-year period of review in which the commissioner may amend an assessment, and the taxpayer may apply for an amendment. There is no limit to the number of times the assessment may be amended during the period of review, and the period of review may only be extended by Federal Court order or taxpayer consent. An amendment assessment during the period of review will also give rise to an additional four-year period of review in relation to the part of the assessment that was amended.

These amendments should not affect the way in which taxpayers currently lodge their returns.

The majority of amendments in this schedule commence on 1 July 2012. The amendments in part 2 of schedule 1, which remove provisions which will no longer be applicable following the introduction of the new assessment regime, commence on 1 January 2017.

Schedule 2 amends the GST law and fuel tax law to legislate the commissioner's power
to make a determination allowing a taxpayer to take into account, on his or her GST or fuel tax return for the current tax period or fuel tax return period, minor errors made in working out net amounts and net fuel amounts for preceding tax periods or fuel tax return periods.

Under the current law, the commissioner may permit taxpayers to correct, on their current return, errors made in the immediately preceding return, in certain specified circumstances. In addition to this, the commissioner has exercised his power of general administration to permit taxpayers to correct errors made in other earlier returns on a current return. As a consequence of the amendments in schedule 1, this exercise of the commissioner's power of general administration will no longer be possible without a legislative basis. The amendments will ensure that the taxpayer experience does not change.

These amendments commence on 1 July 2012.

Schedule 3 confirms that amounts of luxury car tax and wine equalisation tax are part of the net amount as worked out in the GST act. The luxury car tax and wine equalisation tax acts already provide that payments and refunds of amounts under these acts are to be added to or subtracted from the net amount. Both taxpayers and the commissioner have treated these amounts as part of the net amount until now. These amendments clarify the law beyond doubt by specifically identifying the definition of 'net amount' in the GST act.

These amendments commence on 1 July 2012.

Schedule 4 makes some minor amendments to correct anomalies, remove redundant provisions and otherwise tidy up the drafting of the tax laws. This is part of the government's ongoing commitment to the care and maintenance of the tax system.

The schedule 4 amendments commence on the day this bill receives royal assent.

Full details of the measures in this bill are contained in the explanatory memorandum.

I commend the bill to the House.

Debate adjourned.

BUSINESS
Consideration of Legislation
Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (09:11): Mr Speaker, I have a question for you on a procedural matter.

The SPEAKER: On indulgence, I will listen to what the member has to say.

Mr NEVILLE: I assure the House there are no politics in this. I just noticed a procedural matter. You will notice the Road Safety Remuneration Bill 2011 and the Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2011 are listed as the second item of business for today. The House of Representatives Standing Committee on Infrastructure and Communications is finalising its report today and is due to table it tomorrow. Can we be debating those bills before the report of the committee has been tabled? You would think it would be wrong to go on with the debate without the committee's report being tabled, and obviously members of the committee would be constrained from speaking today because the report has not been tabled. I wonder if you might take that up with the clerks, the Leader of the House and the Manager of Opposition Business.

The SPEAKER (09:12): My understanding is that, if a bill is referred to a committee, the consideration in detail stage cannot commence until the report is tabled, but I will reflect further on what the member
has said and will come back to the House
with a more definitive statement shortly.

**BILLS**

**Corporations Legislation Amendment
(Audit Enhancement) Bill 2012**

**First Reading**

Bill and explanatory memorandum
presented by Mr Bradbury.

Bill read a first time.

**Second Reading**

Mr **BRADBURY** (Lindsay—
Parliamentary Secretary to the Treasurer)
(09:13): I move:

That this bill be now read a second time.

Today I introduce a bill that will amend the
Corporations Act 2001 and the Australian
Securities and Investments Commission Act
2001 to implement a range of reforms to
enhance audit quality in Australia.

In 2010, the Treasury conducted a
strategic review of audit quality in Australia.
The review found that Australia’s audit
regulation framework is robust and stable,
and that no fundamental changes are
required.

However, the review identified a number
of areas where improvements could be made
to bring Australia into line with international
best practice in audit regulation. This bill
will implement a number of changes to the
audit regulation framework arising from the
review.

Schedule 1 amends the Corporations Act
2001. It will provide flexibility for directors
of a listed company or listed registered
scheme to extend the five-year auditor
rotation period for up to two years. Directors
will only be able to extend the auditor
rotation period if the extension is consistent
with maintaining the quality of the audit and
does not give rise to any conflict of interest
situation. This amendment allows directors
to extend the auditor rotation period where
the retention of knowledge and experience
would be beneficial to the quality of the audit
but also ensures that auditor independence and objectivity are maintained.

Schedule 1 will also introduce a
requirement for audit firms to publish an
annual transparency report if they conduct
audits of 10 or more Australian listed
companies, listed registered schemes,
authorised deposit-taking institutions or
insurances companies.

This amendment will increase the
transparency of audit firms by ensuring that
factual information about firms performing
significant audits is available to existing and
potential clients. The disclosures to be made
in the report will be prescribed in the
regulations.

Schedule 2 amends the Australian
Securities and Investments Commission Act
2001. It will streamline the auditor
independence work of the Australian
Securities and Investments Commission
(ASIC) and the Financial Reporting Council
(FRC) by removing the existing auditor
independence function from the FRC and, in
its place, giving the FRC a role of providing
the minister and the professional accounting
bodies strategic policy advice and reports in
relation to the quality of audits conducted by
Australian auditors.

The FRC will be relieved of the
requirement to prepare an annual report on
the performance of its auditor independence
functions. The FRC’s information-gathering
powers will be limited to obtaining
information from the professional accounting
bodies.

Schedule 2 will provide ASIC with the
power to issue public audit deficiency
reports on individual audit firms. ASIC will
be able to issue a report in relation to
specified failures by the audit firm that it
identifies during the exercise of its statutory audit functions and reasonably believes indicates a significant weakness in either the Australian auditor’s quality control system or the conduct of the audit, and may be detrimental to the overall quality of the audit.

A specified failure includes a failure by the auditor to comply with the auditing standards, a failure by the auditor to comply with the auditor independence requirements in the Corporations Act, a failure by the auditor to comply with any applicable code of professional conduct, or a failure by the auditor to comply with the provisions of the Corporations Act dealing with the conduct of audits.

Auditors will be provided with an opportunity to remedy an identified audit deficiency before ASIC prepares a report. Auditors will also be able to provide comments on an audit deficiency report, which ASIC must publish with that report.

This amendment aims to improve confidence in the capital markets through increased transparency in the audit process.

Schedule 2 will also allow ASIC to communicate directly with an audited body in relation to significant matters that it identifies during the course of the exercise of ASIC’s statutory functions in relation to an audit. ASIC will be required to notify the auditor at least seven days prior to disclosing information to the audited body.

This amendment will ensure that directors have access to information necessary to fulfil their obligations.

Finally, I can inform the House that the Ministerial Council for Corporations was consulted in relation to the amendments and has approved them as required under the Corporations Agreement. Mr Speaker, I commend the bill the House.

Debate adjourned.
Bill agreed to.

**Third Reading**

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (09:21): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**Appropriation Bill (No. 4) 2011-2012**

Report from Federation Chamber

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

Ordered that this bill be considered immediately.

Bill agreed to.

**Third Reading**

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (09:22): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**Personally Controlled Electronic Health Records Bill 2011**

**Personally Controlled Electronic Health Records (Consequential Amendments) Bill 2011**

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mrs MOYLAN (Pearce) (09:22): As I outlined last night, there have been concerns expressed about the national eHealth transition policy by the National eHealth Transition Authority, and those concerns give rise to the capacity of the government to finalise the design and to deliver the electronic health records without—and I quote here from the National eHealth Transition Authority—'potential clinical risks'. That being said, notwithstanding some of the difficulties, the intent of the Personally Controlled Electronic Health Records Bill 2011 and related bill is sound because, as I was saying last night, in an increasingly mobile world one of the most frustrating experiences for patients across Australia is having to continually recite their medical history to each doctor, specialist and allied health professional that they come into contact with. The process is necessary at the moment as it is an unfortunate reality that an individual's medical record often gets lost, is not updated or critical information is not effectively passed between an individual's treating professionals.

In an increasingly mobile society people often overlook the need to transfer records from their previous medical practitioners. The process is equally frustrating to the medical community and, more importantly, treating professionals are acutely aware that not having a comprehensive understanding of a person's medical history is a danger in itself to the patients that they are treating. The Personally Controlled Electronic Health Records Bill 2011 seeks to address the situation by establishing the framework for individuals to have an electronic medical record. The record is intended to be an online system, which will include past and current medical conditions, medications taken, allergies, Medicare information and summaries of discharge information from hospital, as well as any information the person wishes to add themselves.

Unlike systems such as those in the tax office and other government departments, this system is not intended to be a centralised collection of information held on
government computers. Instead, the system is designed to link the data sources around the country that already exist. For instance, many individuals already have an electronic record at their local GP clinic, chemist and hospital, and, rather than duplicate this or create a master record, the system is intended to allow each of these individual medical practitioners and health professionals to access those records through a single online portal.

Understandably, a person may not want all of the information shared. Through the system, participants will be able to choose who has access to what information. The system is also an opt-in system, allowing participants to activate and deactivate their records at their choosing. The scale of such a project is immense. The national *State of our public hospitals* report notes that in the financial year 2006-07 alone there were 16 million outpatient contacts with a further 24 million allied health services, including pharmacy, pathology and imaging services. Creating a system that can allow efficient access to such an enormous amount of information across a multitude of different systems requires significant research, testing and continual monitoring.

Ensuring that the proposed system is secure and workable is vital given its potential to save lives. Analysis by Booz & Co. suggest that up to 5,000 lives a year could be saved by having correct and timely information available through electronic records. But such a significant step forward is only part of the value that electronic records can provide. With proper planning, treatment can move from being responsive to being proactive. As the chair of the Parliamentary Diabetes Support Group, I and my colleagues who are involved in that group know all too well the importance of diabetics having records available to their treating clinicians. Diabetes Australia has developed a database of over a million Australians as part of their administration of the National Diabetes Services Scheme. Not only does it track the Pharmaceutical Benefits Scheme's subsidised medicines used; it can also be used to send reminders and advise of new products and services. This is important because it can tell the National Diabetes Service Scheme whether people are in fact taking the medication that is prescribed. We saw the tragic case of a young Western Australian girl who, in her teenage years, did not always take her prescribed medication, and she is now facing life having had a limb amputated and having serious kidney disease. So this can be a great benefit to preventing these kinds of situations from occurring.

Such initiatives in the private sector are commendable and provide a sound template which government can follow. Allowing this information to be combined as part of the electronic health system would also mean that a patient's normal GP could be alerted to considerations that might otherwise go unchecked, like patients not taking their prescribed medication. This could happen via a pop-up reminder to check the lower limbs, for example, of a diabetes sufferer—to check the feet—because we are all too aware that neglected problems with the feet can lead to limb amputation and other complications.

With proper development of this system medical treatment can shift from being responsive to preventative practices with patients confidently and proactively contributing to the management of their own treatment regimes. But it would appear that more development is required before this potential can become a reality. For instance, what assistance will be given to older Australians, the infirm and those from lower socioeconomic backgrounds to create and add to their e-records? These groups are
often overrepresented within our hospital system and allied programs and could benefit the most from such a system, yet they are more likely to not have the resources or the knowledge to create an online health record. To brush such concerns aside and roll on with the project would seem counterproductive as the government would be creating a system that provides little benefit to those who need it most.

Another issue of concern in the transition authority submission is the privacy safeguards. On page 5 of that submission is the example of Christine Lee, who chooses the basic access controls which are meant to authorise only those providers involved in her care to view her records; but it appears that the basic setting—presumably the setting most people will choose—does not block other practitioners from accessing her details. In fact, in the example an interstate doctor accesses this young woman’s information. Worse still, the only way that unauthorised access is discovered is by the patient themselves trawling through the computer log and picking it up. A strong analogy can be drawn here with unauthorised transactions on credit cards. While it is expected that everyone checks their statement, it is a common reality that most do not. To ensure unauthorised transactions do not take place, the bank’s system highlights suspicious transactions based on a number of criteria. I would think that a similar system could be adopted with electronic records, with patients indicating the health providers who are authorised to view their records or with unusual transactions being flagged, highlighted or otherwise brought to the attention of patients.

The integration with other systems designed to assist the public should be considered as well. The submission of the National E-Health Transition Authority to the current Senate inquiry into this bill notes one benefit of online records is their availability when Australians travel overseas—but if the patient is incapacitated how can they access their records to give to foreign medical practitioners? Perhaps consideration should be given to linking the SmartTraveller website of the Department of Foreign Affairs with a tick box authorisation to allow the department to access those records in the event of an emergency when the person is travelling overseas.

Finally, it would seem prudent for the government to heed the warnings of the opposition. I note the member for Shortland was critical last night of the opposition, but one of the important functions of this chamber is to debate this legislation with a view to ironing out the bumps, to sorting out some of the problems, to make sure we get the best public outcomes we can for policy and the delivery of programs. It would therefore seem prudent for the government to heed the warnings of the opposition and the stakeholders and delay the system’s full implementation until these critical issues are resolved.

Ms Livermore (Capricornia) (09:33): I am pleased to be able to contribute to this debate on the Personally Controlled Electronic Health Records Bill and the Personally Controlled Electronic Health Records (Consequential Amendments) Bill. As I have said in many debates on bills in this House already, the government when elected in 2007 promised a major program of reform in our health system and here today we are debating yet another step along the reform path.

This bill puts in place the framework for personally controlled electronic health records that we want to see as a feature of a modern, efficient and patient centred healthcare system. I have said that we want to see this framework, but the reality is that...
we have to do this. Efficiency and quality patient care demand that the health system of the future runs on better managed information than it does now. The starting point has to be patients. Right now, patients do not own their health records or play any active role in the management of them. Information about an individual patient is generally scattered all over the place. Some will be held at their GP clinic, their pharmacist may have additional information and there will be more at the local hospital. Usually, the only way that information is shared across healthcare providers is when the patient physically carts a piece of it from one health service to another. More often, the information is shared by the patient repeating their medical history and current treatments to the healthcare professional sitting in front of them—and then the next one and then the next one. Those healthcare professionals have to hope that the patient remembers to disclose all relevant information so that they can treat them appropriately.

Mr Speaker, I had that exact experience myself over the Christmas break. I was fortunate enough to be holidaying on the Sunshine Coast, which I know is very close to your heart. I went to see a doctor there and, right at the end of the consultation, I remembered that I was taking some antibiotics at that time and told him. It was really just a fluke that that popped into my memory. In that circumstance it was not really important, but you can imagine how difficult it is for doctors. That situation gets harder and harder for patients suffering from multiple health problems or as they age and their health care becomes more complex.

Moving towards an electronic platform for recording, assessing and sharing patient data is not some kind of nice add-on our health system. It is not an optional extra or a novelty that might be picked up as a passing fad. This is a fundamental part of making our health system work better, with better health outcomes for patients and better use of our health dollars. That is clear when you look at what is happening in our current system of information management. Medication errors currently account for 190,000 admissions to hospitals each year. Up to 18 per cent of medical errors are attributed to inadequate patient information. These are mistakes that do not need to happen and they have serious repercussions for patients and health professionals. On top of that is the waste and inefficiency inherent in our current system. Studies in hospital environments have indicated that between nine and 17 per cent of tests are unnecessary duplicates. When you think of the pressures on our health professionals and the pressures on our health budgets the thought of that kind of waste of scarce time and scarce money is outrageous. There has to be a better way.

One of the first things we did when we came to government was to establish the National Health and Hospitals Reform Commission. The commission was tasked with presenting the government with a blueprint for a health system that would meet the needs of a growing and ageing population in a way that could be sustained financially into the future. The commission recognised the importance of e-health or telehealth more broadly but specifically identified that electronic health records will be a key element in progressing its reform themes of putting patients at the centre of the healthcare system and driving efficiencies to maximise the care delivered for every health dollar spent. A key recommendation of the commission therefore was that 'by 2012 every Australian should be able to have a personal electronic health record that will at all times be owned and controlled by the person'.

We have already put one building block in place with legislation for healthcare
 identifiers passing the parliament in 2010. Virtually all Australians now have an individual healthcare identifier automatically created by virtue of their connection with the Medicare or veterans' affairs systems. That identifier is their unique personal passport into the electronic health record system that is being established. The information about an individual patient attaches to that identifier and provides the basis for accessing and controlling that information.

Work is well underway towards the design and implementation of the electronic health records system led by the National e-Health Transition Authority. We are now approaching the 1 July 2012 date by which we want people to be able to register for an electronic health record and experience the benefits of the system. The personally controlled electronic health record will enable consumers to have easy access to their key healthcare information online and—very importantly—enable them to share it with their authorised healthcare providers where and when it is needed anywhere in Australia. It creates the capability for a patient's record to be available securely over the internet. That means that the information can be truly shared between all healthcare providers involved in the patient's care.

The beauty of the personally controlled electronic health record is that it has the capacity to bring together crucial information about a person's health and their medical history in the one place such that it will be immediately accessible to health providers in a way that is not possible now. Information now is fragmented and largely carried around in the patient's head, meaning doctors are often doing their job based on incomplete information.

Once in place a person's electronic health record can display clinical information in summary form, such as health conditions, allergies, medications and records of medical events created and added by healthcare providers. The record can also contain discharge summaries from hospitals and information from Medicare, including childhood immunisations and organ donor status. Individuals can also add their own information, such as any over-the-counter medications that they are taking and, if it is relevant, key particulars of an advanced care directive.

These bills provide a regulatory framework to complement the work that is happening at the infrastructure and operational level ahead of the 1 July start date. To start with it establishes the Department of Health and Ageing as the interim electronic health record system operator and sets out its functions and responsibilities and the advisory bodies to the system operator. One of those is jurisdictional and another is an independent body comprising consumer, clinical, privacy and IT expertise.

The most significant parts of these bills go to the questions of how a person creates an electronic health record and the conditions they attach to it, as well as the privacy and security protections that surround it. The bills provide for the registration regime which will act as people's entry into the system. There is also a registration process for healthcare providers and other service providers essential to the functioning of the system—for example, portal and repository providers.

It is important to note that registration is completely a matter of choice for consumers. There is no compulsion on people to opt for an electronic health record and the government has been very explicit in saying that in no circumstances will health care be dependent on having an electronic health
record. A consumer who chooses to register for an electronic health record can set their own access controls to determine which healthcare organisations are permitted to access their personally controlled electronically health record. There are different levels of access controls available, so consumers can make access open to all providers involved in their healthcare or they can set the controls for much more limited access. In emergency situations it will be possible for healthcare providers to override the chosen control settings to access vital information but only in narrowly prescribed circumstances and with a range of safeguards attaching to that access, which would otherwise be unauthorised.

Another important point to make about registration for an electronic health record is that it is possible for an individual to participate in the system through an authorised representative. This recognises that many people accessing healthcare services do so with the assistance and support of a carer or family member. I note that this has been particularly welcomed by the Consumer Health Forum. The registration process will be an easy and streamlined exercise that can be completed by people online or through their local Medicare office or shopfront.

The part of the bills that underpins the whole transition to electronic health records is that dealing with protection of privacy and the security of information. The Information Commissioner has said:

Ensuring that privacy is adequately addressed is fundamental to achieving community trust in e-health information systems, and gaining consumer acceptance and take-up of the new systems.

That is a very important and obvious warning and for that reason the bar is set very high in this legislation.

The bills prescribe very clearly the circumstances in which registered consumers and organisations can collect, use or disclose electronic health record information. There are penalties in the bills for unauthorised use of the information, and the Privacy Act also applies to further protect users of the system. That means that the Australian Information Commissioner has authority to investigate breaches and interferences with privacy. Those legislative safeguards have to be in place, but the design of the system has its own security features that should give people confidence that their information is being accessed properly. Anyone accessing an electronic health record will leave an audit trail, so that the person who the EHR belongs to can go into their record and see every organisation which has viewed that record. It is their record; the individual sets the controls on who gets access to what information and they can see any interaction with that information. Of course, that is not something that is currently possible with paper records. As I am giving this speech I know that there are paper records of mine sitting in a file at the base hospital in Rockhampton, and I have no idea right now who could be looking at them or what they are doing with them. That is something that just will not be possible through the EHR system, where that audit trail is very evident to each person who has an EHR.

There are already 12 lead e-health implementation sites across Australia putting e-health innovations into practice. Already the benefits of electronic health records are evident. For example, Dr Raymond Seidler, a GP from Sydney, spoke earlier this year at an e-health launch for health professionals in Canberra. As an early adopter of electronic health records whose practice is connected to nearby hospitals, he has seen what is possible. He told the launch:
The hospital receives up-to-the-minute information including pathology tests performed by the GP and has all the demographic information required clearly legible.

He goes on to say:

Previously GPs have received handwritten letters which are often indecipherable from overworked hospital doctors. Some patients forgot to bring their letter to the GP and so much information was lost.

I think that all speakers in the debate have agreed that the benefits of the electronic health records system are self-evident and it is clear that we need to continue the progress towards putting in place this system. This was highlighted even further last week when I travelled with the regional Australia committee to, among other places, Moranbah, a mining town in my electorate of Capricornia. We were looking at the practice and experience of fly-in fly-out work arrangements in Queensland and, obviously, across Australia. One of the groups who appeared before the committee were representatives from Moranbah Medical, which is one of the GP practices in Moranbah. They spoke to us about their experiences of practice in a town where anywhere between 30 and 40 per cent of the population are non-resident in Moranbah—they are people who travel to Moranbah week-on, week-off according to their rosters, to work in the mining industry. They told us of the difficulties that presents to doctors. For example, in their practice they have a snapshot from June 2011 showing that 23 per cent of patients at that practice are non-resident in Moranbah and in many cases are presenting at that practice for the first time. These are not patients who necessarily belong to that practice, even though they are seeking the services of those doctors. It is not hard to work out the difficulties that presents to doctors, but I will quote from their submission:

Without a prior relationship with a patient, a lack of medical history or other information in an emergency can be very difficult to manage and carries dangers such as drug interactions/allergy risks.

That just highlights further the importance of having those electronic health records, particularly for people working in those fly-in fly-out situations. It is much better for the patient and much better for the doctors.

I understand that with this bill today we are still at the foundational stage of getting the personally controlled electronic health records system in place, but I would call on the government to ensure that, at the appropriate time, we have a very focused campaign in places like Central Queensland, targeting both consumers and health professionals, to promote the take-up of electronic health records in recognition of the highly mobile workforce in our region.

This is a bill that continues the government’s proud record of health reform, and I commend it to the House.

Mr BRIGGS (Mayo) (09:49): I rise also in line with the coalition decision to support the Personally Controlled Electronic Health Records Bill 2011, but in doing so I want to put on the record some concerns relating to the direction in which this bill is going. No doubt, as the member for Capricornia just outlined, there are some very good reasons to have an effort made into e-health. The step towards electronic health records was started under the former health minister and now Leader of the Opposition, but I have some concern about that direction because I think it raises significant issues which society more broadly are grappling with as we move into the electronic age. In effect, our lives are run by the power of the internet—information gathered and put onto the internet. We read about this regularly now, particularly in relation to our children—their
access to it and the information they place on social media websites.

There is a television advert at the moment where a young person, obviously very well-qualified and well-experienced, is applying for a job. The employer interviewing him talks about how well-qualified he is but then raises issues that he found on the applicant's Facebook site relating to his personal life. While we debate bills such as this, where we are talking about putting the most private and personal information about somebody into an electronic form that can easily be emailed between different healthcare providers, I think we need to understand the risk this potentially creates for people.

I understand that the government are quite convinced that the privacy measures placed within the bill address these issues, but I must say I am less than convinced by this government's assurances that they will get this right. As the shadow parliamentary secretary in this area, the member for Boothby, has highlighted, the government have not been seen to be particularly competent. I think that is fair to say. We have also seen with this bill, like so much else that they have done, a haste and a rush to implement this without the necessary consideration or trials first being undertaken to make sure that we get this right.

As I said earlier in my remarks, there can be no more private or personal information than somebody's health records. We all see medical practitioners and medical experts from time to time, and each of us has a trust relationship with those providers. They provide tremendous service to their patients, but they have access to the most private details about a person's life. There is a danger that, when this information is put onto an electronic record under a government mandated scheme—it no doubt exists now in doctors' surgeries and chemists across the country—it can be emailed or sent around without any guarantee that it will not find its way into inappropriate hands. The member for Capricornia said that provisions of the bill ensure there is an audit trail, but we all know that it is impossible to put the genie back into the bottle after it has got out. So I urge caution on the government about the haste with which it is implementing this initiative. There are good reasons to take this slowly and steadily, so as to make sure it gets it right. In the first place, I am far from convinced that this government is capable of doing that. Secondly, the importance of this information is such that it should be treated with extreme caution and care. It is what we would do in government; this government should do it as well.

These concerns are not unwarranted. We have seen in the past two years the most protected information of the United States foreign service leaked across the world through the disgraceful behaviour of the WikiLeaks organisation. Putting aside the morally corrupt attitude of that organisation and its willingness to put our service personnel in danger by leaking protected information, the fact that some of the most secure and protected information of the United States could be accessed and downloaded onto Lady Gaga CDs by a low-level officer of the United States army, it is alleged, means we have to be particularly cautious about electronic health record-keeping. It shows the depth of the information kept by governments and the power of the internet to expose this information. The WikiLeaks saga has shown that information cannot be protected absolutely. There is no way that the security of information provided under a government scheme, which can easily be emailed and sent around, can be absolutely guaranteed and protected. That is a real concern and it is a genuine reason why the government should
take heed of these issues. These are genuine issues; they are not partisan issues. They are issues about the responsibility of ensuring that the Australian public's most private and personal information is kept in such a way that it is not accessible by people who should not have access to it. I fear that because of the haste with which the government is moving on this bill, these issues and some of the other issues that have been identified, particularly by members on this side, have not been well enough addressed.

I appreciate the fact that the government, in an attempt to address some of these concerns, has made this scheme an opt-in arrangement. I acknowledge that it has attempted to address some of these concerns. I hope that the government has got the opt-in aspect right. The provisions in the bill seem to indicate that this is a genuine opt-in and that an individual will have to make the decision to allow their information to be sent electronically between healthcare professionals. This is a very important part of the bill. I would hope that people give this due consideration when they make the decision about opting in. Medical professionals and bureaucrats will want this information. It is the direction the country has been taking in the last 20 years. It is a lot easier to do this now.

On the face of it, the simplicity and efficiency of having this information available to all people in the medical profession, so they can understand the background of a case, make a lot of sense. There is no doubt about that. An increasing number of government agencies are moving down the path of having individual customer numbers. Centrelink is one which has records relating specifically to people, which are available electronically. We are moving by stealth to what is in a sense an Australia card. We should be very careful that we are not moving by stealth, issue by issue, to some form of identity card. That is something this parliament should be very well aware of. The Australian people may be comfortable with that in the end, but they should be involved in the decision. It should not be something that just happens inch by inch, department by department, bill by bill. It should be the subject of genuine debate about what people think is their right to the privacy of their most personal information. It does not get any more personal than your private health records.

In line with coalition policy and the decision of the party room, I support this bill. I put on record my concerns about the risks relating to the privacy aspects. I say also that this has been rushed. We saw another example overnight of the failure of a scheme this government rushed through, with the early closure of another one of its green programs, the Solar Credits scheme. It brought back terrible memories of the pink batts debacle and the green loans debacle and of all the waste and mismanagement with which this government has engaged over time. It is a concern that this scheme has been rushed so much. The government should take its time with this issue. It should take care of this issue because it needs to get this issue right. It takes only one example of somebody's health records appearing, unauthorised, on the front page of a national paper to show us how very careful we should be about moving in this direction. We have seen with the issues relating to newspapers in London that there is an appetite for this type of information from people of note. I hope that through this bill there are enough protections, that we are being careful enough to ensure that the most private information of people is protected in a proper fashion.

On that note, I conclude by saying again that I will support in line with the coalition policy but I put on record some very strong reservations about this direction.
Ms GAMBARO (Brisbane) (10:00): I rise today to make a contribution to the debate on the Personally Controlled Electronic Health Records Bill 2011 and the Personally Controlled Electronic Health Records (Consequential Amendments) Bill 2011. The coalition will not be opposing either of the bills. The coalition has had a strong record on investing and delivering on e-health. For example, under the coalition government's computerisation of general practice it increased from 17 per cent in 1997 to 94 per cent in 2007. This was achieved through an investment of $740 million over those years.

The coalition have always supported the concept of shared electronic health records and the benefits are very obvious. However, the problem is the way and the manner in which the system is implemented. The coalition do recognise that some concerns have been raised in the way in which this particular bill and system are going to be implemented. We will look at reserving the right to amend the bill if we feel so at the later stages of its passage. But, true to form and true to prediction, we see another example of Labor mismanagement, this time in relation to the private electronic health record system, the particular subject of this bill. In an article in the Australian on 28 February, yesterday, by Karen Dee she revealed that spending on the personally controlled electronic health record system had blown out to $760 million, almost $300 million more than budget. This reinforces our concerns about the ability of this government to implement this very important aspect of electronic health.

The other major beneficiary of a shared electronic health record are people on holidays. As we know, occasionally accidents will happen, particularly when you are away and children get sick, so circumstances do change. Holidays are not always the happy and joyous occasions that they are meant to be, but when you have an electronic health record, it means that when you are away from home you can present to an emergency department or to a local GP clinic and you do not have to spend all that extra time explaining the medical history to the particular health professionals concerned.

The health records provide patient information including past and current medical conditions, medications, allergies, discharge summaries from hospitals and Medicare information, as well as any information the consumer might want to add themselves. This system is purely an opt-in system, which means that a person will need to apply for a PCEHR. They can then deactivate and reactivate their electronic record at any time in the future. Most of the information that will be required for the PCEHR already exists in GP practices, in pharmacies, in pathology groups and in hospitals. The currently proposed system merely links these different data sources and displays them in a single online portal, which is a good thing. Consumers who register for information. This will allow for health information of a patient to be easily transferred between the patient's health practitioners. A good example of this is the sharing of a patient's medical records between a GP and a specialist. Currently a patient will need to repeat their medical history and information every time they visited a different clinician. This results in very poor information flow and in extra or duplicating testing, delays and potential errors. We see that quite often when medical tests are ordered.
a PCEHR will be fully able to choose the settings for which practitioners will be able to access their record and how much of their electronic record will be accessible.

I would like to flag a concern at this stage of the need to ensure that the staff of health providers have the training and professional skills to manage this system. A number of speakers have raised privacy concerns around this issue and I also raise those privacy concerns. The PCEHR will be subject to the privacy acts of the federal and different state governments, so it is really very important that staff, doctors and health professionals are familiarised with the basic aspects of those privacy provisions.

The PCEHR system has been designed to at all times allow the patient to be in full control of who sees that information. Patients' data will be protected by the provisions of the 1988 Privacy Act and the Information Commissioner will have the powers to investigate any complaints or potential breaches of privacy. While this is the case, there are always overlapping and very confusing jurisdictions across a number of states in Australia and the privacy area is based on federal-state control of privacy provisions, but it remains to be seen how these concerns will be rectified. I really urge the minister to address this point when she is considering this bill.

As I stated before, there are a number of perceived benefits of an electronic health record system. There are some amazing cost savings to be had. If we look at an analysis by Booz & Company, we see that by 2020 e-health capabilities could save up to $7.6 billion each year by reducing duplications and errors, and of course there will be a large aspect of improved productivity and better adherence to what is best practice. However, these are all facets of e-health and not just the electronic health records we are talking about here today.

The government's own numbers suggest that the benefit to Australia from e-health records alone would amount to $11.5 billion over the years up to 2025. In addition, the same report suggests that a full e-health program could help to avoid up to 5,000 deaths annually once the system is fully operational. That report goes on to state that the fully implemented e-health system could avoid up to two million primary care and outpatient visits, 500,000 emergency department visits and 310,000 hospital admissions annually. Importantly, it would mean that patients would have their entire medical history available to them regardless of where they travelled in Australia. A patient with a PCEHR who became ill whilst travelling would have their full medical history available to any health practitioner—including any emergency department—they visited.

It was the coalition that originally started the focus on shared electronic health records. Unfortunately, despite the focus and direction established under the Howard government towards e-health, implementation of the PCEHR by Labor since taking government in 2007 has received much criticism from industry for poor management of the development of the program. This is not coming just from this side of the House; it is coming from key stakeholders and it is coming from submissions put forward to the Senate Community Affairs Legislation Committee on these bills. Running through these criticisms is that very familiar thread—the one we see with this government's implementation of any program.

The coalition does recognise that a number of concerns have been raised by different stakeholders about the current
government's implementation of the PCEHR rollout. The government has repeatedly stated that the PCEHR will be able to take user registrations from 1 July this year. That is a very ambitious starting point. Despite the government's assurance, the majority of industry experts—and they are industry experts—beg to differ. A number of peak bodies have also expressed very grave concerns about the ability of the system to be up and running on 1 July. We really need to make sure that this government does not, once again, rush in and put a system in place without having the right quality framework behind it. As with so many Labor promises, they announce a major project and then struggle to meet their own deadline—and, in the process, what do you see? You see waste and you see increased mayhem everywhere.

The legislation was only introduced to the House on the last sitting day of 2011. The government has now brought it on for debate. There is a Senate inquiry into these bills and the committee is due to report today, 29 February. The Senate inquiry, in its public hearing on 6 February 2012, heard testimony highlighting a number of stakeholder concerns about this legislation. It would be very prudent for the Minister for Health and for the government to defer debate on these bills until the Senate inquiry has publicly reported its findings. The government has form, has considerable form, on rushing legislation through without proper scrutiny—and this bill is no different.

The government also needs to come clean on the future long-term costs of managing and operating the PCEHR program and on the future funding contribution through COAG. This is so vitally important—that they come clean on the contribution of COAG to the NEHTA. While the previous Minister for Health and Ageing, Nicola Roxon, was reluctant to commit to the future funding of the NEHTA, now is the time for the government to come clean—to tell taxpayers what the long-term costs of implementing this system are going to be. A number of concerns were also raised in the Senate committee about the definition of a health provider. This needs to be clarified by the government. We need to have this clarification to allay the concerns of stakeholders.

The government has only allocated $35 million per year over the next three years for e-health implementation. As with any computer, network or IT system, technology changes very rapidly, yet there is a notable silence from the other side on the future costs arising from these issues. There has been no comment, there has been no discussion, on the long-term costs relating to the ongoing maintenance of the system, any upgrades to the system or the provision of a so-called help desk for the system. This is a phenomenal change to the way health records are to be stored and maintained. One only needs to look at the situation in the United Kingdom. They spent £12 billion on their entire e-health record equivalent—and then they scrapped it in 2011.

I also add as an example the payroll debacle in my own home state of Queensland. The cost of the Queensland Health payroll system blew out to over $209 million. Why? Because they did not have a backup system. They rushed the implementation. They bungled the implementation. We saw the scenario—thousands of nursing professionals across Queensland not receiving their pay. Some of them had to go to the Red Cross or other organisations for assistance. There were tragic stories of nurses not being able to pay the rent and not being able to afford food or basic supplies. This is what happens when you do not get a system correct. These people were the innocent victims of incompetence and the inability to get it right.
The other concern I have is that the software and systems that hospitals and practices will require to support the PCEHR will obviously cost money. I am therefore interested in the government's response to that issue—whether they have any plan to support the obvious parties and stakeholders in this. If this is indeed the case, there is the potential for it to lead to higher health costs for consumers. So we really need to know what is happening in that area of support.

In conclusion, the personally controlled electronic health record is a great concept, however the devil is in the detail and the implementation. The government must get it right. We cannot afford to have another situation where the implementation is bungled and it costs taxpayers many millions of dollars to fix. It would have been much more sensible to await the outcome of the Senate inquiry. However, we do support this bill. We think that it is a good thing, but we want to make sure that the government gets all of the details right in its implementation.

Mr McCormack (Riverina) (10:14): The Personally Controlled Electronic Health Records Bill 2011 and Personally Controlled Electronic Health Records (Consequential Amendments) Bill 2011 provide a legislative framework required for the management of the personally controlled electronic health records system. The personally controlled electronic health records system is designed to be a secure electronic record of a patient's important health information. This will allow for the health information of a patient to be easily transferred between a patient's health practitioners, such as between a patient's general practitioner and a medical specialist.

In the current health system, a patient is required to repeat their medical history and information each time they visit a different clinician. This can lead to poor information flows, extra or duplicated tests, delays and potential errors. As the electronic health records will contain patient information, including past and current medical conditions, medications, allergies, discharge summaries from hospitals, Medicare information, as well as any information the patient would like to add about themselves, health practitioners will be able to help overcome some of the current issues the current health system experiences in the transfer of information.

You could say at present that the system is mired in duplicity and, as with anything bogged down with procedure and red tape, it is the ones at the end of the line—in this case, patients—who are affected the most. In fact, it has been forecast by leading global consulting firm, analysts Booz & Co., that by 2020 e-health capabilities could save up to $7.6 billion each year by reducing duplications and errors, improving productivity and enabling better adherence to best practice. This is across all facets of e-health and not just electronic health records. It is also reported that a full e-health program could help avoid up to 5,000 deaths annually once the system is in full operation. That is a staggering statistic.

Significantly, this system will be entirely opt-in, meaning that people will need to actively apply for a personally controlled electronic health record. They will then be able to deactivate and reactive their record at any point in time. It is also important to realise that the personally controlled electronic health record is not a centralised data collection system. As most information already exists in GP practices, chemists, pathology groups and hospitals, this new system will link these existing data sources around Australia and will display them in a single online portal, confidentially.

Control of which practitioners can access a patient's record is left completely in the
hands of the patient, as it should be. Patients can choose to allow only their general practitioner to access the information or they can allow all their health practitioners to have access. Importantly, this will also mean patients will have their entire medical history available to them anywhere they go. A patient with a personally controlled electronic health record who becomes ill while travelling will have access to their full medical history and will be able to make this available for the doctor or emergency department they visit. That is so important, particularly when people go on holidays and, as we all know, things sometimes happen on holidays. And for families with children who may fall ill that will be a great advantage if they are able to access that sort of information anywhere, at any time, on a personally controlled health record system.

All data which a patient uploads onto their personally controlled electronic health record will be protected by the provisions of the 1988 Privacy Act and the Information Commissioner will have the powers to investigate any complaints or potential breaches of privacy. Whilst the information will be protected by these provisions, there is some issue with overlapping and confusing jurisdictions in the privacy arena based on the federal/state control of privacy provisions. It is yet to be seen how these concerns will be rectified and addressed, yet they must be fixed to give assurance to patients that anything they upload will remain private. Anything that is uploaded on their behalf will remain private. Patient confidentiality and trust in the system are paramount. In discussions with my constituents in the Riverina, they have stressed to me just how important this particular point is—that patient confidentiality must be absolutely paramount.

The coalition will not be opposing either of these bills and has always supported the concept of a shared electronic health record. Under the coalition government, computerisation of general practice increased from 17 per cent in 1997 to 94 per cent in 2007. This was achieved through a $740 million investment during those years. Whilst the coalition does not oppose these bills, there are some concerns which have been raised over the way in which the system is to be implemented.

The government has repeatedly stated that the personally controlled electronic health records will be able to take user registration from 1 July this year. Despite this assurance, the majority of industry experts and peak health bodies hold grave doubts that 1 July will be achievable. In fact, the President of the Australian Medical Association, Dr Steve Hambleton, said:

We predict it will be many years before the PCEHR becomes ubiquitous in health care.

The Australian Medical Association is also concerned that the medical profession will be lumped with the administrative burden of implementing the PCEHR system. Further:

‘Our concern is that the PCEHR may add to the ‘information chaos’ apparent in today’s medical practices … this phenomenon is one in which problematic information arrives from many sources and can impair physician performance, increase workload, and reduce the safety and quality of care delivered,’ according to Dr Hambleton.

This legislation was introduced to the House only on the last sitting day of 2011, and like so many other Labor announcements the government proposes a major reform and then plays catch-up to meet its own deadline. A Senate inquiry on these bills is due to report today. This government is guilty of rushing through legislation without proper scrutiny, and these bills are no different.
It was only on 24 January 2012 that the National E-Health Transition Authority announced that work on primary care desktop software development at its test sites had been halted due to the discovery of 'technical incompatibilities across versions' and that there was 'potential clinical risk' if work continued using the specifications supplied. There are also well-founded concerns about the future costs of the personally controlled electronic health records and the ongoing funding for the National E-Health Transition Authority.

The government needs to be transparent about the future long-term costs of managing and operating this program and the future funding contribution through the Council of Australian Governments, COAG, for the National E-Health Transition Authority. The current funding agreement for the National E-Health Transition Authority is due to expire on 30 June 2012, the day before the personally controlled electronic health records go live on 1 July 2012. The Standing Council on Health has agreed to fund the National E-Health Transition Authority after 30 June 2012, but no details have been released as to the agreed level of funding. The government has allocated just $35 million per year over the next three years for e-health implementation.

The Medical Software Industry Association is rightly perturbed 'that there are severe penalties in place for breaches of the Act from 1 July 2012 although the rules are not determined and there will be very short periods of time for the parties to understand and establish procedures for compliance with complex new obligations'. Fundamental to this is the problematic policy decision not to provide incentives or recompense to system participants who are nevertheless expected to contribute extensively to the PCEHR and, while doing so, assume significant risk in the event of breaches.

The Pharmacy Guild of Australia joined the chorus of condemnation against the rushing through by Labor of this legislation. Presently there is no ability for a pharmacy to add a patient's medication history to the PCEHR and there is no strategy or process in place at this time to enable this to occur. The electronic transfer of prescriptions is a reality in both pharmacies and surgeries now, and as it stands about 3.2 million records could be added to the PCEHR weekly through this system. The Pharmacy Guild has fears that the national infrastructure required to underpin the uptake and adoption of the PCEHR will not be ready within suitable time frames to enable adequate use of the system. But does this matter to Labor? The Leader of the House likes to spruik about the number of pieces of legislation which this minority government has passed; it is one thing to pass bills, but it is another for them to be implemented in the wider world.

As the PCEHR is a technology based system, it dates very quickly and there is a notable silence from the government on the future costs. There has been no comment or discussion about the long-term costs relating to ongoing maintenance of the system, upgrades to the system or the provision of a help desk or support staff for the system. The government needs to advise what these costs are going to be or potentially could be. We cannot afford to end up like the United Kingdom, where £12 billion has been spent on its e-health record equivalent, started in 2005 and canned in late 2011.

Personally controlled e-health records are a step in the right direction for the future leading to an easier flow of information between patients and health practitioners. Ultimately this system will save lives. However, it is important that the government
is clear from the outset on the costs of this system to ensure that it does not become an undue burden on the taxpayer and instead works towards the goals it has been established to achieve.

Mr MATHESON (Macarthur) (10:25): Today I rise to speak about the Personally Controlled Electronic Health Records Bill 2011 and the Personally Controlled Electronic Health Records (Consequential Amendments) Bill 2011. The coalition will not oppose either of these bills but we do recognise a number of concerns that have been raised about this legislation and the government's implementation of the personally controlled electronic health records rollout. My main concern with these bills, like any other concerns I have raised in this House, is the effect they will have on residents in Macarthur. I do, however, believe that if managed and implemented correctly the electronic health record system will be a positive thing for my community, especially our most vulnerable residents.

I am proud to say that the coalition has a strong track record of investing in e-health. Under the coalition government, computerisation of general practice increased from 17 per cent in 1997 to 94 per cent in 2007, as we have heard a number of members mention today. This was achieved through a $740 million investment over those years. We originally started the focus on a shared electronic health record and have always supported the concept. Unfortunately, despite the Howard government's focus and direction towards e-health, Labor's implementation of the system since taking government in 2007 has received much criticism from the industry for their poor management of the program's development.

The bills before the House today provide the legislative framework required for the management of the personally controlled electronic health records system. The new e-system will allow for the health information of a patient to be easily transferred between the patient's health practitioners, including GPs and specialists. As it stands now, a patient has to repeat their medical history and information to a doctor each time they visit a different clinician. We all know what it is like trying to relay our own medical history to a new doctor or specialist. It can be extremely difficult for sick or elderly people, who may have a long list of past illnesses, allergies, hospital stays and treatments to remember. Repeating this medical history to each new doctor can result in poor information flow, extra or duplicated testing, delays and potential errors.

The electronic health records are designed to be a secure electronic record of a patient's important health information. The record will contain a great deal of patient information, including past and current medical conditions, medications, allergies, discharge summaries from hospitals and Medicare information, as well as any information the consumer would like to add themselves. Each patient will have the ability to determine who has access to their record and how much information is visible. I believe this is a positive step forward for patients, practitioners and our health system. It has been forecast that by 2020 electronic health records could save up to 5,000 lives and $7.6 billion each year by reducing the duplication of testing across Australia.

I am, however, aware that several concerns over privacy issues in relation to health records were raised during public hearings of the Senate inquiry into the bills. It is important that we make clear to the public that this system is a purely opt-in system, which means that a person will need to actively apply for an electronic health record. They can then de-activate and reactivate their record at any point in time.
Also, the electronic health records will not be in a centralised data collection. The program is designed to link up the data sources around the country that already exist in GP practices, chemists, pathology groups and hospitals. Those who register for an electronic health record will be able to choose their own settings, including which practitioners can access their record and how much of their electronic health record they can access.

The system has been designed to ensure that the patient will be in full control of who sees what information and when they are allowed to see it. I am concerned, however, that this is not the case in either of the trials currently under way, and it remains to be seen whether this will be the case after 1 July this year. Patient's data will also be protected by the provisions of the 1988 Privacy Act, and the Information Commissioner will have the powers to investigate any complaints or potential breaches of privacy. But, while this is the case, there is an issue with overlapping and confusing jurisdictions based on the federal/state control of privacy provisions. This is something that must be rectified before the rollout of the system in July this year.

This also brings me to my next concern. Why are we debating these bills before the Senate inquiry has publicly reported on its findings. However, we know that this government is famous for rushing through legislation without proper scrutiny, and these bills are no different.

A number of concerns have also been raised over the future costs of the system and the ongoing funding for the National E-Health Transition Authority. The government needs to come clean on the future long-term costs of managing and operating the program and the future funding contribution through the Council of Australian Governments to the transition authority. I believe the taxpayers in Macarthur and all over Australia have the right to know what the future long-term costs of this system will be.

The government has only allocated $35 million per year over the next three years for e-health implementation. Like any computer network or IT system, technology dates very, very quickly, so there needs to be some forecast of the future costs of these issues. There has been no comment on or discussion of the long-term costs relating to ongoing maintenance of the system, upgrades to the system or the provision of a help desk or support staff for the system, so you can see there are a few holes there. We only need to look at the situation in the United Kingdom, where they have spent £12 billion on their e-health record equivalent, which was scrapped in late 2011. This is not a scenario we can afford to impose on the Australian taxpayer.

Another primary concern that has been raised is the lack of encouragement or incentives for general practitioners to create the shared health summaries as part of the system. The summary is a collection of the patient's medical history and will make up one part of the patient's electronic health record. It is expected that a patient's general practitioner will spend additional time and
effort creating and maintaining these shared health summaries, but they have been given no incentive to do so. We need widespread support from our general practitioners because they primarily will be the driving force behind the system's success.

While there are many concerns which need to be addressed before the rollout of this system on 1 July, there are a number of perceived benefits of an electronic health record system for this country. It has been forecast that by 2020 e-health capabilities could save up to $7.6 billion each year by reducing duplications and errors, improving productivity and better adherence to best practice. These figures are for all facets of e-health, not just electronic health records. The government's own numbers suggest that the benefits of e-health records alone in Australia would be $11.5 billion to 2025.

In addition, the same report suggests that a full e-health program could help avoid up to 5,000 deaths annually once the system is in full operation. It goes on further to state that a fully implemented e-health system could avoid up to two million primary care and outpatient visits, 500,000 emergency department visits and 310,000 hospital admissions annually. Importantly, it will also mean that patients have their entire medical history available to them anywhere they travel. How many times have we seen Australian people become injured or sick overseas? If a patient with their own personal electronic health record becomes sick whilst travelling, their full medical history will be available for the doctor or emergency department that they visit.

I do believe the positives of this system outweigh the negatives. This is why the coalition do not oppose this legislation, but we reserve the right to move amendments following the outcome of the Senate inquiry. I know that there are many people in Macarthur who will benefit from having their own electronic health record, but like all Australian taxpayers they deserve the right to know how much this system will cost them in the long term. This is why I support all of the positive features of this e-health system but cannot fully support this legislation until the findings of the Senate inquiry, released later this week, are dealt with appropriately. What is wrong with constructive criticism and deliberate scrutiny to deliver good policy? I think that is exactly what we should be doing in relation to this legislation.

Mr LAMING (Bowman) (10:34): The holy grail of an electronic health record is something that most developed economies are working towards. In summing up this side of the debate on the Personally Controlled Electronic Health Records Bill 2011 and cognate bill, I just want to make the observation that this nation will have an electronic health record. It is going to happen. There is a graveyard of good intentions in other developed economies, and they are lessons from which we can learn. The minister will be aware that there have been enormous expenditures in the UK and in the US. To go down exactly the same path and make the same mistakes—that is what makes this side of the chamber so determined to ask the right questions about electronic health records.

The contributions to this debate have been effectively divided in two. One is the significant upside of having a functional electronic health record, and there is no doubt about that. There is no doubt that we can see great savings and potential in the idea of having electronic information transmissible between the people who need to know. That is a no-brainer. And we know on the other side as well that there are significant concerns about privacy that have to be met. If I can distil it into a single
sentence: we need to make sure that we move this project forward at the speed which current technology allows.

I do not want this to be something in between pink batts and the NBN, but we have genuine experience from around the world that shows that there is every possibility that that can occur. Today's debate really should be about how we prevent that occurring. How do we work carefully? How do we focus on the areas where gains can be made undoubtedly? And how do we acknowledge the areas where we are effectively doing little more than tipping money into some omnivorous money-eating machine that is a concept developed and controlled by public servants, from which politicians have effectively abrogated their responsibility, in the hands of fractured and separated private providers who accept contracts not knowing if they can deliver, at risk of forfeiting, at risk of going broke and at risk of not delivering? That is not made up. Those are direct quotes from what happened in the NHS. We can learn from that, but we do not if we have blind contributions in this chamber that focus on nothing but the upside of an electronic health record.

Let me speak for a moment as a clinician and as someone who developed Australia's first mobile ophthalmic database for clinicians, called RedANT. I programmed it with Masoud Mahmood in Darwin in 1998. The intention was to have every electronic image of a retina taken in Indigenous Northern Territory available, on a small laptop, to any clinician who visits. By simply plugging in the laptop one uploads the most recent clinical information by matching a patient identifier that was generated temporarily and superimposing it using the common personal details. The concept was good. The idea was that a remote ophthalmologist or optometrist looking at an eye would not panic during an investigation, through not having the latest information available, and then send that Aboriginal Australian on a 700-kilometre bus or four-wheel-drive trip to see a doctor, only to be told, 'You're okay and you didn't need to come in.'

There are massive health savings that can be generated through reducing the false negatives, by giving a clinician the ability to look a patient in the eye and say, 'You'll be okay and you don't need to come back and see me for 12 months.' That is where the massive savings exist in the health system. The savings are not, as is commonly believed, in becoming 1½ per cent better at diagnosing cancer, because those people will re-present and re-present with symptoms and they will be picked up, often within days or weeks. The true costs in the health system are false negatives. The true saving is in a clinician having the ability to move to the top of their licence and make a call, 'You don't need any more resources spent on you for a period of time,' and be right. What we cannot afford is continual investigation of a person who is fundamentally healthy. The electronic health record offers us some aid in that area.

Let us not fool ourselves. Hummelstein, from Harvard; Wharton; and the Wall Street Journal have all shown that there actually is no evidence that this will save money. Conceptually we can see that it may, but in reality we have not yet proven that this electronic health record even improves the patient experience. We may be able to get rid of some paperwork, but there is no evidence that small providers will actually be able to recoup the cost of setting up an electronic health records system. Sure, Kaiser Permanente will have excellent stories about working in house on an electronic health record and how much that saves them, but we are dealing with an incredibly fractured
and heterogeneous health system in developed economies like Australia.

We all know that the world is shifting towards using electronic transmission of data. We do it when we go to the shopping centre. We do it when we go virtually anywhere where we spend money. But health remains an area where we are incredibly cautious. At the same time, we have within the health system young providers—doctors, nurses, midwives, allied health workers—who know no other way except using an iPad. They cannot even navigate their way around a hospital without having access to electronic information from pathology and radiology. As I said when I began this address, it is going to happen. The only debate here is about how we sequence the work. Do we focus on the areas where we can really make a difference? There are 3.6 million Australians who have an enhanced primary care chronic disease record at the moment that is run through their local GP. We are the only nation in the world that has that knowledge. That is right. We have captured the 3½ million Australians who have the most to benefit by having electronic health record transmission and portability of that information. That is where we should be starting.

My grave concern is with the $72 million investment in wave 2 trials, because there is no guarantee that that money will feed into electronic health records. We are not learning lessons from overseas; we are actually just starting again with our own series of pilot trials. I have visited them. They are incredibly impressive but at $8 million to $12 million each, I want to know that having a few hundred people going through the Mater hospital program in Brisbane is actually going to lead to a more efficient information transmission system than we have currently. I need to know that that money invested is not a wasted cost but one that actually leads towards an electronic health record.

I know the minister will be just as concerned as I am that the clinical leads group that is meant to be providing the clinical oversight of this process has had its meeting delayed again, for another month. I hope that the minister will have good news to give it when it finally meets, because I tell you what: the great fear with Australia’s electronic health record is that this will fall into the hands of unaccountable bureaucrats and that the clinicians and the politicians, who need to remain responsible, lose control the process. This is not a fairytale. This is the story of distressed NHS contractors—CSC, Fujitsu, Accenture; you name them—coming away after six years, after billions of pounds spent, unable to even provide an electronic health record to the southern half of the UK. This experience in the UK NHS is potentially the greatest IT disaster the world has known. I simply ask: what have we learned?

Today is not a debate about whether we think a health record is a great idea. It is probably worth ventilating the issues of privacy and some of the issues that will recruit clinicians to get involved, but this is about identifying how to sequence and stage the process. I do not see any evidence of that happening. I see groups working in a well-meaning way to develop a health record, uninformed by what has happened overseas, with no accountability back to this place, with minimal reporting and with little understanding of where we are going next—no idea of where we are going next. We just had to look at the Australian yesterday to see that, as long as you feed the machine, they will keep coming up with ways to spend the money. I want to see not the holy grail of a health record; I want to see the minister just step by step get this process moving forward.
We are a nation blessed with a massive Medicare database and massive PBS database. We are able to start having organisation and provider identifiers. That is not the hard part. But ultimately we need to ask the question: is it the be-all and end-all? Providers will only ever be able to put so much health information on an electronic record. For a long time, we will need something else. It is like comparing a technical manual to a novel; there will always be some information that is extremely difficult to capture on an electronic health record. So we may have to be doing more than one thing at the same time for a significant period until this health record is up to scratch.

We have another massive concern, which the EU is aware of, which is that data being collected even now cannot be effectively archived and will be time limited. Are we using the XML format that Sweden, for instance, have moved into to make sure that that archiving can guarantee that information collected today, last year or 10 years ago is still accessible next year and that we do not simply have an upgrade problem where we lose data?

I do not come here to give you a shopping list of concerns. I simply want reassurance that this government is not telling me it is all okay. We should learn a lesson from the US, where, in that 2008 Keynesian exuberance, effectively billions of US dollars were committed to encouraging GPs to develop an electronic health record and we had the Americans, of all people, saying: 'Slow this down. Let's learn from the UK. Let's see what is going wrong.' This is potentially a 10- to 15- to 20-year timetable. I would hate anyone to think this has to be a deliverable by 2014 because it is going to be way more complex than that. This contribution today would not mean much and would just be another 15 minutes wasted in the chamber if we did not have the grief and the disaster of what has been referred to in the UK as Labour's greatest IT blunder. This is not small bickies. This is a $15 billion budget, announced as early as 2004, which effectively gave us nothing but confusion. In fact, many—and I see the shadow spokesperson here, the member for Boothby—will say that it cost lives, that it caused heart attacks and that it actually did harm. Of course, I could never say an intervention will not cause some harm, but I do recall what is the prime belief in medicine—

Dr Southcott: First do no harm.

Mr LAMING: I hear someone saying it in Latin to me and it being translated across the table—primum non nocere. We should not do anything that hurts people. The best way to do that is to stage it, to sequence it and to focus on those that need it most, and not regard this as something that is going to happen overnight. We cannot afford to be investing in entities or providers who cannot deliver, and we have to have the strongest assurances that they can achieve it. The first signs that I see of slippage are when those contracts go from $1.5 million to $3.2 million or $48 million to $52½ million, when individuals who are contracted to do something suddenly end up doing something else, or in the worst-case scenario in the UK they start suing the government or politicians start writing to the secretary of the NHS saying 'I warn you not to sign that contract' nine months before it ends in tears. We just do not want to go there.

I do not want to be the professor of doom, but the minister in her first few weeks in this portfolio needs to take a very strong interest in what I warn could be the next NBN. This could be a government imposed, extraordinarily expensive solution that simply leaves us where the UK is. I am not
saying that we are smarter than the UK. I would like to learn from the UK. I would like to know that some lessons have been learned from an economy that devoted an enormous amount of money to this proposition. If you leave it to providers to develop this and to do it in open-source code so that everyone can contribute to the improvement of the system, that might be fine, but where we head off into proprietary systems that are fundamentally secret, that no-one has access to and that we lose completely if the company goes bust has to be a concern. I have a fear that it could well happen here in Australia.

Ms Plibersek: It is okay to sit down earlier if you run out of stuff.

Mr Laming: I welcome the minister's intervention, which is, 'Please, don't continue.' I know it can be uncomfortable to hear, but the great challenge is that many of the speeches that we have heard from your side of parliament could simply have been lifted out of the UK House of Commons, which saw Labour MPs speaking blindly and blithely about the importance of an electronic health record just months before the whole thing collapsed. That is the only warning I give you.

Speaking as a clinician, I would love to have it working. Speaking as a clinician, I do not see why there cannot be better access to item numbers through both Medicare and PBS for public providers who are looking after the health of Australians. There are lots of easy gains, there are lots of easy wins, but it is not going to happen if we have the continued delays that we have seen from this government. You should know, Minister, about the cancelled meeting for lead clinicians. You should know about that. What is happening and why can they not meet? What are they dealing with? The summing-up of this debate is your chance, early in your portfolio, to tell us exactly where things are at and exactly where the hiccups are. Who was given the wrong specifications? What was provided back to the department that in the end could not be used? Why are we delaying meetings with clinicians? This should be the first group you meet with, not the last. These are simple questions that I put to the minister. I emphasise that the support for the concept of an electronic health record is on both sides of the chamber, but I would love to see more concern about where the project is heading overall. It is large, it is complex and it is expensive and there is a graveyard of well-intended but ultimately misguided attempts to develop this record. It will take collaboration and it will take time. Start small, do it slowly and sequence it right and we may be able to go where other nations have failed.

Ms Plibersek (Sydney—Minister for Health) (10:49): It is a great pleasure to sum up on this legislation today, the Personally Controlled Electronic Health Records Bill 2011 and the Personally Controlled Electronic Health Records (Consequential Amendments) Bill 2011. I thank members for their consideration of this legislation and their contributions to the debate on these bills.

At present, consumer health records are scattered over a range of locations and clinics rather than being attached to the consumer and easily available at the point of care. This means that consumers need to retell their story every time they visit a different healthcare provider. This outdated approach can result in things like unnecessary retesting, delays and medical errors. For example, we know that medication errors cause about 190,000 admissions to hospital each year, with eight per cent of those errors being due to inadequate consumer information.
I can tell you a story that was told to me by a doctor married to another doctor—a two-doctor household. The father of one of them was living with them and he collapsed in a shopping centre one day because his GP, his heart doctor and another specialist had all changed his medication independently without talking to each other. When they discovered this change, it was completely predictable that this combination of medicines would have had an adverse effect on the patient, but because the doctors were not able to check each other's prescribing an adverse effect occurred. That is just one example of the 190,000 people admitted to hospital each year because of things like medical errors and medication errors.

The Personally Controlled Electronic Health Records Bill 2011 before the House today establishes the essential IT and governance infrastructure that allows consumers to set up the their own personal electronic health records—computer based records that can be accessed anywhere there is an internet connection. That means that records can travel with consumers clinic to clinic and doctor to doctor at the click of a button.

We had some criticisms from the member for Bradfield yesterday saying that this should be an opt-out system rather than an opt-in system. He was strongly contested by the member for Mackellar. The reason that we have made this an opt-in situation is that it is important that people feel ownership of their records and feel confident that this is something that they want and want to participate in. Once this essential infrastructure is in place later this year, consumers will be able to opt in and begin registering for personal electronic health records and accessing a range of basic information on their own health care.

Over time, as people register and we work with both consumers and healthcare providers to build on this infrastructure, more detailed and sophisticated features will be available as part of an electronic health record. A number of speakers are worried that this is the big bang—that it is the whole rollout all at once. It is important to emphasise that this is a gradual process starting in the lead sites and allowing individual patients to register, at a time of their own choosing, in a system that will build over time. Just as you would build a house, this legislation helps to lay the foundations for e-health today—strong foundations that will underpin the development of the sector as it expands into the future. This is about developing the foundations of that system carefully and systematically. We are very aware that this is a complex area of reform and that a national e-health records system will have to be built over time as both consumers and healthcare providers join the system. But since 2010 we have been working closely with consumers and with healthcare providers. To get this right we will continue to keep talking and working with these groups.

Establishing a national e-health records system is part of the government's e-health agenda. It is an agenda that builds on the work of GPs, hospitals and other healthcare providers and that is integrating modern technology into day-to-day health care. Already, 97 per cent of GPs have access to computers and 96 per cent have access to the internet in their consulting rooms. I congratulate doctors for supporting this technology becoming part of their practice, with all of the benefits of improved efficiency and accuracy it provides.

I was in a fantastic GP superclinic a couple of days ago down at Shell Cove family practice, and I was looking at the
computer technology they use. That technology allows them not only to access individual patient records but to search within their patient database for people who have a particular condition. If, for example, they get new information about a better way to treat diabetes they can look for every patient who has got diabetes and systematically contact those patients and say: 'We have got new information for you. Would you like to come in and talk about this new information?' They can search for young women who are smokers and contact them and say, 'Did you know about this new measure that might help you?' This government has put lower strength nicotine patches on to the PBS. They can contact people who are smokers and say, 'Have you considered this treatment for you?'

The potential is not just in transferring old paper based records into electronic records but in the tools that it gives practitioners to better serve their patients—the people that they have regular contact with. We are providing significant support for GPs and other front-line healthcare providers to take up new technology, including, from the middle of this year, the e-health records system. For example, the Practice Incentives Program provides up to $50,000 per practice to over 4,000 general practices to support the adoption of e-health initiatives. The government is also supporting Medicare Locals to provide general practices with on-the-ground assistance to improve their readiness for e-health, including help with improving the quality of their data and records. We are keen to make processes as easy as possible for GPs so that they will be able to use existing Medicare rebate items in the preparation of clinical notes if they are viewing or adding information to a consumer's e-health record during a consultation. In 2010 this government committed $467 million to a two-year program to build national personal electronic health records infrastructure, and this legislation is part of delivering on that commitment.

A number of opposition members have mentioned an article in the Australian written by Karen Dearne on 28 February—yesterday—about e-health blow-outs. Despite the fact that I corrected the record yesterday during this debate, members opposite continue to use this inaccurate reporting. I am very disappointed that the opposition continue to be prepared to ignore fact. The two main sources of funding for the e-health agenda are the personally controlled electronic health records allocation and the COAG approved funding. Both of these sources of funding are within budget. The personally controlled electronic health records allocation is $467 million over two years. This allocation goes towards the National E-Health Transition Authority, Medicare support, the 12 e-health pilot sites and the national infrastructure partner—that is, not the National E-Health Transition Authority alone.

The National E-Health Transition Authority also receives funding announced by COAG. Currently, that funding is $218 million over three years. The Commonwealth contributes 50 per cent of this funding, which is around $109 million. The Commonwealth's portion of this funding is used for e-health related activities other than the personally controlled electronic health records system, such as healthcare identifiers, e-prescribing, standards and specifications, and the National Authentication Service for Health. The $760 million figure cited in the Australian cannot be reconciled with either the personally controlled electronic health records system or the COAG funding allocations. It seems to have been reached by making significant errors in calculation, including the double
counting of funds. The majority of the figures that are added together to reach $760 million are actually part of the $467 million budgeted investment, including the quoted $21 million, $89 million and $38½ million funding announced for the National E-Health Transition Authority. In addition, the $136 million figure used in the media includes $109 million allocated by COAG and a carryover from the previous COAG funding period from 2009 to 2012. They seem to have been simply added together and, in many cases, double counted. It is very important that the opposition acknowledge that this inaccuracy, which they continue to repeat, does not reflect the budget position of the e-health rollout that we are talking about.

Throughout the development of this infrastructure there have been extensive consultations with clinicians, with consumers and with health IT industry individuals and bodies. We are looking to the health sector and technology experts to innovate and to implement the rollout of e-health. The national e-health records system will place the individual at the centre of their own health care by enabling access to important health information by individuals, and their healthcare providers, when and where it is needed. Individuals can choose whether or not to have an e-health record and, if they choose to participate, they will be able to set their own privacy and access controls. Yesterday, the member for Mackellar suggested they could carry a USB stick with their private health information on it. Mr Deputy Speaker Leigh, I think you would understand—as certainly the member for Boothby would—the danger of leaving your USB stick lying around is very significant indeed.

As the records created by healthcare providers evolve over time they will have the capacity to contain health information such as conditions, medications, allergies and records of medical events. The records will also be able to include discharge summaries from hospitals, information from Medicare and some information entered by consumers. Some have expressed concern that patients will not enter some information or that they will try to take information away. It is important to realise that patients do not always tell their doctors everything that the doctor would like to know and, when patients visit a variety of different doctors, the clinician often gets only part of the story. E-health increases the likelihood of having full information from the patient.

We know that consumers and healthcare providers need to have confidence in the e-health records system and the information it contains, so it is critical to implement a legislative framework that provides for robust, transparent governance and appropriate protections for participation in, and use of, the system. The Personally Controlled Electronic Health Records Bill 2011 will do just that. Key elements of the bill will establish the system operator and its advisory bodies, a registration regime for consumers, a privacy and security framework and associated penalty mechanisms, and the circumstances in which information in the national e-health records system can be collected, used or disclosed by particular parties. The bill also provides for the legislation to be reviewed after it has been operating for two years.

Much has been made in this debate of cybersecurity and privacy matters and I want to take a moment to address those in a little more detail. Strict operational rules, along with existing provisions in the Criminal Code and criminal offences for related matters such as cybercrime, will work together with the civil penalties in this bill to protect consumers and the national e-health records system. The civil penalties in the bill are significant, including possible fines of
several million dollars. The bill will apply across Australia in all states and territories, so it has been developed to work with existing Australian laws wherever possible. The consequential bill will make amendments to the Healthcare Identifiers Act 2010, the Health Insurance Act 1973 and the National Health Act 1953 to enable the use of healthcare identifiers in the operation of the national e-health records system, and allow access to certain Medicare information for inclusion in an individual's e-health record. This is a once-in-a-generation opportunity to deliver important reforms starting with the foundation and infrastructure. These bills are part of the government's bold health reform agenda: reform that will make it easier for consumers to receive the right care when they need it, where they need it. I commend the bills to the House.

Question agreed to.
Bill read a third time.

BUSINESS
Rearrangement
Mr CREAN (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (11:05): I move:
That orders of the day Nos 3 and 4, government business, be postponed until a later hour this day.

Question agreed to.

BILLS
Social Security and Other Legislation Amendment (Disability Support Pension Participation Reforms) Bill 2012
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Mr ANDREWS (Menzies) (11:06): I rise to speak on the Social Security and Other Legislation Amendment (Disability Support Pension Participation Reforms) Bill 2012. This bill implements two participation reforms to the disability support pension as outlined in the 2011-12 budget. The changes include amendments relating to overseas travel for Australians with a severe disability.

The bill incorporates a range of measures. The first is the work rule for disability support pension. This measure allows all recipients of the disability support pension to work for a total of 30 hours per week without jeopardising their pension payment. The measure essentially extends the 30-hour rule to those participants who were granted disability support pensions since the introduction of the Welfare to Work program—that is, on or after 11 May 2005—and who currently have their pension
suspended or cancelled if they work more than 15 hours a week. This is an important change which is designed to encourage DSP recipients to re-enter the workforce or engage with it in a greater way. For too long the DSP has been viewed as a 'destination payment'. This measure will go some way to encouraging greater productivity from those who can contribute without penalising their payment.

The second is the amendment relating to participation requirements for the disability support pension. This measure will also boost productivity by mandating new requirements for certain disability support pensioners under the age of 35 who have a work capacity of at least eight hours a week. These recipients will now have to engage with Centrelink, through a participation interview and the development of a participation plan, to assist them to develop their work capacity.

The third measure addresses the issue of portability of the disability support pension, first raised by my colleague in the other place, Senator Fifield, who aired the coalition's concern after a diplomat was unable to accept an overseas posting without jeopardising the DSP of their dependant. This set of amendments addresses some of those concerns. It does so principally by providing more generous rules for disability support pensioners who have a severe impairment that is likely to continue for at least five years, and therefore result in the recipient having no future work capacity, allowing them to continue to receive their pension payments in the event that they travel outside of Australia for 13 weeks or more.

The fourth measure promulgated by this bill relates to average weekly earnings and a range of other amendments. These include amending references in child support legislation to average weekly earnings data derived from an Australian Bureau of Statistics publication, due to a change in the frequency of that publication, as well as some other minor amendments and corrections.

The next measure amends pension ages. The pension loans scheme debt recovery provisions currently stipulated in division 4 of part 3.12 of the Social Security Act provide that in certain circumstances a debt that is owed to the Commonwealth is not recoverable. Section 1139(2)(b)(iv) of the Social Security Act provides that one of the exceptions to the Commonwealth being entitled to recover a debt until after the person's death is that the person's partner has reached pension age. Sections 1139(2)(b)(iv)(A) and (B) define pension age for a woman as 60 years and as 65 years for a man. These ages are incorrect. The amendments will remove these incorrect references. Indeed, the changes will mean the Commonwealth will not be entitled to recover a section 1135 debt until the conditions of section 1139(2) are fully met.

This bill also seeks to align the provisions of the Veterans' Entitlements Act 1986 used to calculate the minimum installment payment for a service pensioner in receipt of either the pension supplement or the clean energy supplement, or both, with corresponding provisions promulgated in the Social Security Act.

Let me turn now to disability reform. The approach of the government to disability support has been disingenuous. They talk about the National Disability Insurance Scheme, which I reiterate has bipartisan support; however, they are yet to fund the scheme. What they have done is announce it and reannounce it. In fact, all the government has announced is
that they will 'lay foundations' for such a scheme. They have announced that they will 'support such a scheme.'

Let us turn our mind to the timeline of the government's announcements. First, on 10 August 2011, Labor announced they would work immediately with the states and territories on measures that would build the foundations of the National Disability Insurance Scheme. On 7 October 2011, the government tried to reannounce the establishment of foundations for an NDIS advisory group. A week or so later, on 20 October 2011, Labor reannounced the laying of the foundations for the NDIS, this time adding that they would lay such foundations in mid-2013. A couple of months later, on 3 December 2011, Labor again reannounced the need to lay foundations for the NDIS, this time announcing a new agency would be created to lead the design of the launch of the NDIS. Three days later, on 6 December 2011, Labor announced the government's progress in laying the foundations for the NDIS. Six days later, on 12 December 2011, the Prime Minister said that she was appointing Ms Macklin as the Minister for Disability Reform. Labor decided to play catch-up with the coalition on this front, recognising that we have had a shadow minister for disabilities in the coalition shadow ministry since the 2010 election. On 19 December 2011, Labor announced that they would work with the South Australian government on measures to help get the state ready for the NDIS, despite having already announced that the Commonwealth would work closely with all state governments.

My challenge to the Labor government here and now is very simple: tell us how you are going to fund this important scheme. Identify how you will fund it. If you are serious about the National Disability Insurance Scheme, do not be disingenuous by reannouncing and reannouncing your support for laying the foundations. Give us real detail. Australians, particularly those with a disability and those caring for loved ones with a disability, deserve to know the real facts—that is, how it is going to be funded and a timetable for that funding. Labor have promised big things on this front. It is time they told us how they are going to deliver.

Ms BRODTMANN (Canberra) (11:13): Before I begin my speech on the Social Security and Other Legislation Amendment (Disability Support Pension Participation Reforms) Bill, I would like to comment on what the member for Menzies has said about the NDIS. At least we on this side are getting on with it and getting on with trying to implement this new strategy. All that you on that side have got is a wait-and-see attitude on the whole thing. I find completely outrageous the comments that the coalition are making on this issue when they do not even know what they are going to do on it. That is a wait-and-see attitude. We are having discussions with the states, as the member for Menzies outlined, and we are engaging with the community, as he outlined. What is the coalition doing? They are just going to wait and see—'Oh, we will just stick our finger in the air when the day comes to see what we will do.' It gives me great pleasure to speak today about an important bill that will mean so much to some of our most disadvantaged Australians. This is a bill that goes to the heart of Labor values, and the amendments it will make will give peace of mind to many people within our community who are living with a disability. Supporting Australians with a disability is important to the Gillard Labor government because we understand that more needs to be done in this area. We understand that fundamental reform of disability services in Australia is required which is why we are determined to deliver a
national disability insurance scheme, not adopt a wait-and-see attitude on it.

An NDIS will give people with a disability the kind of support they have the right to expect. It will give Australians who are born with or acquire a disability the confidence that they will get the help they need to live a good life. I am proud of the work the Gillard Labor government has done to make a disability insurance scheme a reality. I thank John Della Bosca and his team at Every Australian Counts for all their hard work in making sure that this issue is at the top of the national agenda. Only a national disability insurance scheme will deliver high-quality care and support to people with disability, regardless of the nature of the disability or where they live. It will provide opportunities for people with a disability and their families to break down the barriers to work, to education, to being involved and active in their communities.

This year the Gillard Labor government will begin work on the design and the launch of the NDIS. We will establish a Commonwealth agency to lead our work on planning for the launch of the NDIS, working with the states and territories to achieve our goals. This is actually doing something; this is actually getting on with the job. At the same time we are continuing to deliver real services and better support for Australians living with a disability and their carers, to ease the pressures now while we get on with the job of delivering an NDIS. The bill I speak on today will go a long way to delivering better support for those Australians. But there are many other things the Gillard Labor government has done to support people with disabilities which I would like to touch on today.

In 2009 Labor introduced the disability support pension and carer payment, an historic pension reform which provided a significant boost to the rate of the pension and an improved indexation system to make sure the pension keeps better pace with the cost of living. Since September 2009 our pension reforms have delivered increases to the maximum pension of about $148 per fortnight for singles. Over 530,000 carers now receive an annual ongoing carer supplement of $600 for each person they care for. We have also delivered support for specialist disability services. Labor is doubling Commonwealth funding to around $7.6 billion over 6½ years for states and territories to deliver more and better specialist disability services under the National Disability Agreement. In 2013-14 the Commonwealth contribution will be around $1.35 billion, compared to $620 million in 2006-07 under the former coalition government—that is, double.

We are helping children, their parents and carers by giving children with disabilities that are affecting their development flexible funding to access up to $12,000 in early intervention services through the Better Start for Children with Disability program. This builds on our Helping Children with Autism package which since 2008 has helped more than 14,000 children with autism spectrum disorders access early intervention services. We have established more supported accommodation for people with disabilities through a new $60 million supported accommodation innovation fund to build up to 150 innovative community based supported accommodation places for people with disability.

Shortly after I was elected I visited one of the group houses in my electorate, which we had set up to get people with disability out of either hospitals or aged-care facilities and into something more in keeping with their age group and their peer group. This is a beautiful new house in a really good spot in Narrabundah. I went there with the then
Parliamentary Secretary for Disabilities and Children's Services who is now Assistant Treasurer. The young people, their families and carers visiting this new house were overjoyed with the new facility that provides them with independence and age-appropriate care. The house is beautifully designed with beautiful woodwork, fretwork and glasswork. It was designed with a great deal of sensitivity and respect, as well as architectural integrity. It was a real privilege to visit that lovely home in Narrabundah and see the joy on the faces of those who were moved from age-inappropriate caring facilities into something more suitable for their age group and their level of disability. I look forward to visiting this beautiful home again soon.

The support for people with disabilities I outlined above builds on our $100 million capital injection in 2008 to build over 300 supported accommodation places which are on track to be delivered by 2012. Then there is the National Disability Strategy that Labor is implementing with the states and territories, setting out a 10-year plan for improving life for Australians with disabilities, their families and their carers. The National Disability Strategy is the first time all governments have agreed to a joint national approach for disability care and support. And finally, Labor has launched the National Carer Strategy and Australia's first national carer recognition legislation to improve recognition and support for Australia's 2.6 million carers. This includes $60 million in funding over the next four years to improve access to the carer allowance and other carer payments. As you can see, Mr Deputy Speaker Leigh, the Gillard Labor government is leading the way when it comes to support for people living with disabilities, not waiting and seeing while having a big think about it.

The bill we are debating today focuses on ensuring Australians with a disability are able to participate in the workforce where possible, while also acknowledging the government's responsibility to continue to provide a safety net for those unable to support themselves fully through work, so it has the best of both worlds. The bill contains some key reforms to the disability support pension that are part of the Australian government's 2011-12 budget package, Building Australia's Future Workforce. The Gillard Labor government understands that working benefits people in many ways. It helps boost self-esteem, improves social contact, provides more income and leads to improved health and financial security. And the Gillard government is absolutely committed to ensuring people with a disability can access these opportunities wherever they are able to do so. The Social Security and Other Legislation Amendment (Disability Support Pension Participation Reforms) Bill 2012 contains a number of measures that will better support Australians living with a disability here or abroad. First there is the work rule for the disability support pension. This measure allows all disability support pensioners to work up to 30 hours a week without having their payment suspended or cancelled. It extends the 30-hour rule to people granted disability support pension since the introduction of the Welfare to Work changes—that is, on or after 11 May 2005—who currently have their pension suspended or cancelled if they work more than 15 hours a week. The amendment acknowledges that disability support pensioners subject to the 15-hour rule can find it difficult to find work limited to less than 15 hours a week. Many want to test whether they can work more hours, but are worried about losing their qualification.

This change will remove any disincentive for disability support pensioners to take up
work or increase their hours if they are able to do so—it is very important to emphasise that point—and will help address the low workforce participation rate of people with a disability. I have had a number of representations and a number of constituents come in about this, most recently two women who want to make their own way in the world. They want to get some savings in the bank so they can go on holidays; they want to enjoy what many of us take for granted. The extension of their ability to work will be very welcome to these women, because it will allow them to get some money in the bank and go on a holiday. It will allow them to plan for the future, which is something they are really keen to do but have been unable to do because of the limitation on their hours. We estimate that this change will encourage around 4,000 people to take up work and encourage 3,900 people who are already employed, like the women I just mentioned, to work additional hours.

Participation requirements for the disability support pension is a further measure from the Building Australia's Future Workforce package. Many people with a disability want to work if they can but may need extra support. This measure will ensure that disability support pensioners under the age of 35 who are able to work at least eight hours a week will be able to engage with Centrelink to develop a work participation plan. They will attend an initial participation interview and develop a participation plan, tailored to their individual circumstances, to help build their work capacity. The participation plan could involve working with employment services to improve job readiness, searching for employment or undertaking training, volunteering or rehabilitation. While attendance at Centrelink interviews will be compulsory, participation in activities identified in the plans will be voluntary. There will also be exceptions, particularly for pensioners who are manifestly disabled or who have a work capacity of fewer than eight hours a week.

Another measure in this bill relates to portability of the disability support pension. It introduces more generous rules for disability support pensioners with a severe impairment, allowing them to retain access to their disability support pension if they travel overseas for more than 13 weeks. This is an incredibly welcome measure, particularly for many people in my electorate. It is a particularly important and long-awaited development for Defence and Foreign Affairs families, who can be posted overseas for significant lengths of time. Disability can affect these families just as it affects others in our community, and we should not allow these families who do such important work in Australia's national interest to struggle because their work takes them and their family overseas.

I am sure many in the chamber today will remember Hugh Borrowman. He is a distinguished diplomat and a fine public servant, and he is one of my constituents. He and his wife have been strong advocates of this reform for many years. Mr Borrowman faced difficulties of his own when he discovered his son would no longer receive the disability support pension in the long term if he accepted an overseas posting. Mr Borrowman testified at a Senate inquiry that his son would lose $329.20 a week if he moved overseas with his parents. It is for cases like Mr Borrowman's that we have moved to make this important amendment. It will ensure that a family member of a person who has been posted overseas by their employer—by Foreign Affairs and Trade, Defence, Immigration, Customs, the Australian Federal Police and a range of other government agencies—will retain their
pension for the period of the person’s posting.

I am proud that, this year, we can close this loophole so that a person who meets the criteria can live outside Australia indefinitely and continue to be paid the disability support pension. For many people like Mr Borrowman, living overseas and flying back to Australia every 13 weeks to continue receiving the pension is simply not possible, so I welcome this aspect of the bill. I take this opportunity to commend Hugh Borrowman and his wife for the tenacity they have shown and the fine work they have done over many years to get this measure introduced. It has been a very long road for them. I have spoken with them since I have been elected and I know it has been frustrating for them at times. It is such a welcome relief that we have finally reached this day. Many families in government agencies, but particularly those in Foreign Affairs and Trade, will rejoice when this bill is passed.

Finally, this bill also contains minor amendments that change references in the child support legislation, and make minor corrections to veterans’ entitlements and social security legislation. The primary amendments will take effect from July 2012 via an investment by the Gillard Labor government of $124.8 million over four years.

These measures are important amendments that have required the coordination of the Department of Education, Employment and Workplace Relations, the Department of Human Services and the Department of Veterans’ Affairs. I commend those departments and their wonderful public servants on their work. (Time expired)

Mr BANDT (Melbourne) (11:28): I rise to make some brief remarks on the Social Security and Other Legislation Amendment (Disability Support Pension Participation Reforms) Bill 2012, in particular on schedule 2, which deals with participation requirements for disability support pensioners. The bill introduces a requirement for disability support pensioners under the age of 35 with a work capacity of at least eight hours a week to attend an initial participation interview at Centrelink and make a participation plan. These requirements may not appear overly onerous, but they deal with a group of very disadvantaged people who have not been subject to participation requirements before. These measures are new; consequently, it is essential that, at a minimum, appropriate and sensitive safeguards are built around them. My electorate of Melbourne includes almost 6,000 people who rely on the disability support pension. These people are some of the most disadvantaged in our society. We should encourage them to participate, rather than punish them if they do not. I note that the bill does include the possibility of exemptions from the participation requirements in some circumstances, namely prenatal and postnatal relief, supported employment, illness or accident and special circumstances. These last two exemptions, illness or accident and special circumstances, are at the discretion of the secretary. It remains to be seen how these exemptions are exercised. I urge the minister and the department to ensure that they are used appropriately.

My colleague Senator Siewert has noted that there are already concerns from people on the disability support pension who worry that they will be chucked off their pensions when these measures take effect on 1 July this year. These fears are due to the government not making it clear what the changes will do and who they will apply to, and this legitimate fear must be addressed.
At a minimum, a comprehensive information campaign is required to ensure that people are properly informed about how these measures will affect them. There is lack of knowledge and there is concern amongst many recipients of the DSP. There also needs to be flexibility when these measures are implemented to ensure that people can attend appointments at a time and a place that is appropriate to their needs. I also question why there is such a measure targeting people under 35 years old when it is the number of people over 45 years old on disability support pensions that is increasing.

Unfortunately, the measures do appear to be part of a wider attempt to limit the disability support pension. The Greens do not support this approach and we never will. The DSP is now harder to get than ever before. Except for those with a severe disability, everyone is required to engage in participation requirements for up to 18 months before being given access to the disability support pension. During that 18 months they must exist on the lower Newstart allowance—up to $128 per week less than the disability support pension. This bill will create even more participation requirements. The Greens do not believe this is the right approach. What we need is proper assistance and support for people living with a disability to enter the workforce if they are able. We do not need punitive broadbrush measures. If they do pass in their current form, I urge the government to take a sensitive and flexible approach to the implementation of the measures outlined in this bill.

Mr CRAIG THOMSON (Dobell) (11:32): I speak in support of the Social Security and Other Legislation Amendment (Disability Support Pension Participation Reforms) Bill 2012, which contains a whole series of key reforms to the disability support pension that are part of the Australian government's 2011-12 budget package Building Australia's Future Workforce. The Central Coast is an area where there are a high number of people with disabilities and on disability support. Over 12,000 residents of the Central Coast are in receipt of disability pensions, and it is an issue that is very close to my heart in terms of how we deal with these issues.

I have a particular constituent who is a regular lobbier of our office, Paul Davis. Paul has been looking after his son Logan for in excess of 20 years. Logan is severely disabled. Together we have been able to make sure that access to disability toilets on the Central Coast is something that can happen. Previously we had the experience that, because of vandals, the disability toilets were locked and so you had these toilets that no-one could actually get into, which sort of defeats the purpose. Through this association with Paul Davis I have been able to see the kind of strains and stresses that having someone with a disability and caring for them puts on an individual, a family and their friends. Paul certainly has gone through a lot, willingly, for his son, but it is an everyday struggle in relation to how you deal with that disability and the obstacles that are in your way. Paul has been a terrific advocate for those with disabilities.

While I am talking about local issues in terms of disabilities, I would like to mention a couple of other areas and pay some credit to some locals. Councillor Doug Vincent on the Wyong Council leads the disability tourism group on the Central Coast. People with disabilities also like to get away and have a break and have holidays, and again one of the things in our society that is difficult is that we often do not cater for this sort of thing. So the Central Coast has taken a position, led by Councillor Vincent, that we need to make sure that we have tourism facilities available to make sure that this
takes place. We have already had a number of events for disabled surfers and the like. One of the areas we are focusing around is Camp Breakaway. It is in the electorate of my neighbour Jill Hall, the member for Shortland, but is very close to my border. Camp Breakaway is a terrific facility that enables people—not just those from the Central Coast but a lot who come up from Sydney—to come and have a holiday and a break, away from the everyday struggles and strains of looking after someone with a disability. They are a great local organisation who do a terrific job. They are also pivotal to looking at how we develop disability tourism on the Central Coast so that people have that sort of access. I know I diverted a little bit there, Madam Deputy Speaker, but it is very much worth recording in this place these sorts of achievements, these sorts of things that local people are doing on the Central Coast, and acknowledging the terrific work that they do.

The government is improving support for Australians with disability to help them into work where possible while ensuring we continue to provide an essential safety net for those who are unable to support themselves fully through work. This is because the government recognises that working benefits people in many ways. It helps to boost people's self-esteem and improve their social contact, it provides more income and it leads to improved health and financial stability. The government is committed to ensuring that people with disabilities can access these opportunities whenever they are able to do so. From 1 July 2012 more generous rules are being introduced to allow all disability support pensioners to work up to 30 hours a week without having their payments suspended or cancelled. These people will be able to receive a part pension, subject to the usual means-testing arrangements. Currently, people with disability support pensions granted on or after the introduction of the Welfare to Work changes on 11 May 2005 can only work up to 15 hours a week before their payment is suspended or cancelled. So this is a major change. Those recipients granted pensions before this date were grandfathered under the Welfare to Work changes and can work up to 30 hours. Disability support pensioners subject to the 15-hour rule can find it difficult to find work limited to less than 15 hours a week. Many want to test whether they can work more hours but are worried about losing their qualification. This change will remove the disincentive for disability support pensioners to take up work or increase their hours if they are able to do so. It will help address the low workforce participation rate of people with disabilities. It is estimated that the change will encourage around 4,000 disability support pension recipients to take up work and 3,900 recipients who are already employed to work extra hours.

The reform helps disability support pensioners to engage with the workforce by introducing new participation requirements for certain disability support pension recipients with some capacity to work. This supplements other measures which deliver extra support for people with disability, including more employment services, generous rules for disability support pensioners to encourage them to work more hours and support for employers to take on more people with disability through new financial incentives.

Many people with disabilities want to work if they can, but they need extra support. Through this measure, disability support pension recipients under the age of 35 with a work capacity of at least eight hours a week will be required for the first time to attend regular participation interviews—engaging with Centrelink to develop participation plans tailored to their individual
circumstances to help build their capacity. The participation plans could involve working with employment services to improve job readiness, searching for employment or undertaking training, volunteering or rehabilitation. The participation interviews will also help make sure disability support pension recipients are connected to the other services and supports—such as drug and alcohol rehabilitation, mental health and other community services—they need to overcome barriers to participation.

While attendance at Centrelink interviews will be compulsory, participation in activities identified in the plans will be on a voluntary basis. There will also be exceptions to the new participation requirements for pensioners who are manifestly disabled or who have a work capacity of less than eight hours a week, or while a pensioner is working in an Australian disability enterprise or the supported wage system.

The third measure in this bill is based on the recognition that the disability support pension is an essential safety net for people with severe impairments who cannot work. New, more generous rules will allow people receiving the disability support pension who have a permanent disability and no future work capacity to travel overseas for more than 13 weeks while retaining access to their pension. In addition, a disability support pension recipient who is severely disabled and required to accompany a family member who has been posted overseas by their Australian employer will retain their pension for the period of the family member's posting. These pensioners will not be eligible for add-on payments, such as the pension supplement or rent assistance, while they are overseas.

Existing portability rules will continue to apply to disability support pension recipients who have some ability to work. Other working-age payments will not be affected by these changes. The bill contains other minor amendments changing references in the child support legislation to average weekly earnings data derived from an Australian Bureau of Statistics publication—necessary because of a change in the frequency of that publication.

This government has a great record in disability services reform. This government understands that fundamental reform of disability services in Australia is required, which is why we are determined to deliver a national disability insurance scheme. A national disability insurance scheme will give people with a disability the kind of support they have the right to expect. It will give Australians who were born with or acquire a disability confidence that they will get the helping hand they need to have a good life.

I know, Madam Deputy Speaker Bird, that you went to your electorate's launch of the National Disability Insurance Scheme. Many of us went to such launches in our electorates and met with people who were going to be affected by the scheme. As a new and, at that time, very sleep deprived father who was feeling a little sorry for himself, it was an eye-opener for me to meet families who had children with disabilities but who do not currently have the support of such a scheme. Their lives are so much harder.

I was able to go to a place called Chipmunks Playland and Cafe at Westfield, where a local charity, Blair's Wish, was supporting the introduction of the National Disability Insurance Scheme. I met young Blair, who has a disability that his family is living with. He is one of three children. Seeing the effect on the family unit of having a child with a disability was absolutely profound. Any feelings that I had been
having about the difficulty of dealing with a young child soon evaporated when I was given details not just of Blair's life and how his disability affects his family but of the difficulties faced by the many children and parents who were there. One mother told me how, for the last five years, she has had to wake every hour on the hour, turn her child over and check that he is okay—24 hours a day. For those of us who do not have a child with a disability, it is incomprehensible to see how you could live a life in such circumstances. But they do—because these are their children, these are people they care about and love. As a nation we need to make sure that these people are looked after—and that is what a national disability insurance scheme is about. It is about making sure that the most vulnerable in our community, the most in need, get the assistance they have a right to expect.

This side of parliament can be incredibly proud that we have been determined to introduce this because of the profound effect it will have on those people with disability, the profound effect it will have on communities that have large numbers of people with disability and the profound effect it will have on families who will rely on the help of the Disability Insurance Scheme. It is certainly not going to mean that their life will be easy, in any sense, but it will mean that they will get much needed assistance. It is something that everyone in this House should be supporting and making sure that we bring about.

On this side of the House, we have a very proud record of making sure that we are there for those who are most vulnerable. This legislation is part of that suite of packages. It pre-empts some of the issues that we are going to be dealing with with the National Disability Insurance Scheme, but the issues that we are talking about today with this bill are important for the dignity, the participation and the care of those people in our communities who suffer from a disability. For that reason, this is a very important bill. It is a marker as to where this government are going to support people with disabilities and it is something that we should all support, and I commend the bill to the House.

**Ms SMYTH (La Trobe) (11:46):** I am very pleased to speak on the Social Security and Other Legislation Amendment (Disability Support Pension Participation Reforms) Bill 2012. It is one of many measures this government have put in place to respond to the needs of people with disability. It is one of many measures we have put in place to ensure that those people have better access to services in our community, better opportunities to participate in the workforce as volunteers and more opportunity to improve their self-esteem and their community connectedness and to join with others in the workforce and contribute to our broader community.

We have heard a little in today’s debate about the National Disability Insurance Scheme, and rightly so. While it is in its early stages of development, it is an extraordinary prospective reform, an extraordinary thing that will transform the lives of those people with disability as well as the lives of their families, their friends and their social networks. It will open up opportunities for people with disability that will really change their lives considerably. So it was unfortunate to hear the somewhat negative reflections of the shadow minister in the debate earlier on the topic of the NDIS during the course of discussion on this bill. It was unfortunate to hear that because people in my community speak resoundingly about the importance of the NDIS and are hungry to be part of a significant reform and to have their views put forward at a national and a state level regarding the implementation of the scheme.
In the last couple of weeks I have been out knocking on doors in my electorate talking to people specifically about the NDIS. I can recall the circumstance of just one street in one suburb of my 127,000-constituent-strong electorate where I was astonished by the number of people with carer responsibilities, with profound disabilities or with children suffering intellectual disability or learning difficulties. There was an extraordinary range of people whose lives are touched by disability each and every day. It was remarkable that people were willing to speak about such an important national reform.

So it is with pleasure that today I am able to speak on one additional reform that this government have put in place and I commend the work of Minister Macklin, and indeed the member for Canberra for her contribution to some of the measures in this bill. The bill is really about reforming the disability support pension to enable people who have the capacity to do so to participate more fully in the workforce while at the same time providing an appropriate safety net. That is really what Labor are all about—ensuring that people who have the capacity to participate in the workforce, make a contribution to the community and improve their skills and their lives can do so through these measures, and so many of the other measures that we have put in place since coming to office; and ensuring that those people have access to a safety net that protects them and gives them the appropriate financial support to carry on their daily lives.

The bill contains some key reforms to the disability support pension and they are a part of the Australian government's 2011-12 budget package, members will recall: Building Australia's Future Workforce. It is a significant move by the federal government. It will improve support for Australians with disability to ensure that they are able to get into work where possible and that they are given appropriate financial support at the same time. We know that the government is committed to ensuring that people with disability can access those workforce opportunities where they are able to do so.

This bill will do three things which arise from those commitments in the 2011-12 federal budget. Firstly, it will allow disability support pensioners to work up to 30 hours a week before their payments are suspended, cancelled or affected. Members will know that the existing criteria for the disability support pension requires that a person has a continuing inability to work, and under the existing arrangements 'work' is defined to be work of at least 15 hours per week. The changes being made in this bill will allow disability support pensioners who would like to take up further work to test that capacity to work for longer periods, at the same time providing them with the safety net that they need. So it is an incentive to get involved in the workforce but it will ensure that people are not placed in any position of risk.

In the case of disability support pension recipients who will be encouraged to take up work under the changes in this bill, it is estimated that some 4,000 people will fall into that category. It is also estimated that around 3,900 recipients who are already employed will be able to work extra hours under these new arrangements. It is likely to affect a significant number of people in our community and will have flow-on effects for their families and those who support them and care for them. So it will certainly be a significant reform to have put in place. Secondly, the bill includes new participation requirements for the disability support pension to encourage greater workforce engagement by certain disability support pensioners who have some capacity to undertake work. And again, members will recall that his was a measure put in place under the Building Australia's Future
Workforce package, arising out of the 2011-12 budget. So it means that certain disability support pensioners under the age of 35 who have a work capacity of at least eight hours a week will meet with Centrelink staff through an initial participation interview. From there they will put together a participation plan together with Centrelink to help them build their work capacity. That could mean that the person works with employment services to give them the skills they need to be job ready. It could also mean undertaking training, doing volunteer work or undertaking further rehabilitation. The participation plan is to be tailored to the needs and circumstances of the particular disability support pension recipient.

In relation to some of the comments from the member for Melbourne in his contribution to this debate, I should say that it is very important to note that participation in activities included in the participation plan will be on a voluntary basis. It is also very important to note that there will be exceptions to the new participation requirements where pensioners have a work capacity of zero to seven hours a week or while a pensioner is working in an Australian disability enterprise or the supported wage system. So, throughout the measures in this bill there are important safeguards put in place and there are sensitivities in there to ensure that the measures contemplated by the bill really reflect the needs of the particular person whose participation plan is being considered by Centrelink and the particular person who wants to get back into the workforce.

One of the key things that this government has been focused on is ensuring that recipients of pensions and payments are better connected to the other services and supports that they need in order to ensure that they can participate in the workforce or take on volunteer work to the extent that they are able. The important function of a participation interview contemplated by this bill is such that it will better enable disability support pensioners to be connected to services they may need, such as mental health services, drug and alcohol rehabilitation and other community services. The bill has been considered in great detail, and those very detailed measures ensure that the participation of a disability support pensioner in volunteer or work activities will really suit their needs.

The third thing that the bill provides for is portability of disability support pension. This measure introduces more generous rules for disability support pensioners with a severe impairment that is likely to continue for at least five years and result in the person having no future work capacity. The changes will allow them to retain access to their disability support pension if they travel overseas for more than 13 weeks. Additionally, it will enable a disability support recipient who has a severe disability and who must accompany a family member who is posted overseas by their Australian employer to retain their pension for the period of the overseas employment. I commend the member for Canberra for her work in relation to that particular reform.

I said at the outset that this is but one of the measures that this government is putting in place in order to ensure that the lives of people with disabilities and their carers are improved and to ensure that they are given the best opportunities they can to participate fully in the community, to the extent that they are able. I should mention, in the context of this debate, the various things that this government has done to assist people with disabilities and their carers. Members should know that we have done some great work to increase pensions available for a variety of people throughout Australia. One of the things I will mention is that over
530,000 carers now receive an ongoing carers supplement of $600 for each person that they care for. That is a very significant thing for so many carers in our community, in suburbs in electorates such as the one I represent in La Trobe.

We have provided further support for specialist disability services, and members should know that this government is doubling Commonwealth funding to around $7.6 billion over 6½ years for states and territories to deliver more and better specialist disability services under the National Disability Agreement. We are looking for the states to reciprocate in their support of initiatives that the Commonwealth is undertaking, and we have good faith that they will continue to work constructively with the Commonwealth to improve the lives of those with disabilities and their carers. The Commonwealth has stumped a considerable amount of funding—as I said, it has been doubled for the delivery of more and better specialist disability services—and this is but one of the Commonwealth’s initiatives.

Amongst the other things that we are investing in and reforming is supported accommodation for people with a disability. Members may know that this government is establishing a new, $60 million, Supported Accommodation Innovation Fund so as to build up to 150 innovative community based supported accommodation places for people with disability. I know very well, from the interviews that I have with constituents with disabilities in my electorate, that this is a really hot-button issue: ensuring that there is appropriate accommodation that is available to ensure that people with disability can be supported and can have, at the same time, the independence and autonomy that they want to be able to live in their own homes and be able to personalise things to their own needs. This considerable amount builds on our $100 million capital injection in 2008 to build over 300 supported accommodation places, which are on track to be delivered by 2012.

I mentioned earlier the NDIS and the extremely positive response to it in my electorate, and the hunger of people in my electorate to that reform. The government is also implementing a National Disability Strategy, which has been mentioned during the course of this debate. This is the first time that all governments have agreed to a joint, national approach for disability care and support. So it gives me great faith that the negotiations and the discussions which are being held at the moment in relation to the NDIS will be able to be undertaken on the same good faith basis. I certainly hope that that is the case. One of the other very significant things we have done in the area of disability is to launch the National Carer Strategy, Australia’s first national carer recognition legislation. It is important to note that this includes $60 million in funding over the next four years so as to improve access to carer allowance and other carer payments.

Today I have mentioned a fairly full suite of initiatives that this government has delivered and is delivering in the area of disability and in support for carers. I am very pleased to have been able to speak in relation to the measures before us today. I know that disability organisations and advocates in my own electorate have been very supportive of so many of these reforms. In relation to supporting people in employment and ensuring that they are able to participate in the workforce I commend very much the efforts of Knoxbrooke Inc. in my electorate, which provides support and employment to around 112 people in Knoxbrooke Industries and Yarra View Wholesale Nursery. I was pleased to be out there a few weeks ago to see the fantastic work they are doing. I am pleased to be able to support them through my work as a local member and also to
support them through the reforms we are delivering. (Time expired)

Mr NEUMANN (Blair) (12:01): I speak in support of the Social Security and Other Legislation Amendment (Disability Support Pension Participation Reforms) Bill 2012. There are three aspects in relation to this bill: one is permitting all disability support pensioners to work up to 30 hours a week and not lose their payment or have it suspended or cancelled. Previously, it was 15 hours a week. The second aspect is a requirement that all disability support pensioners under 35 years of age with a work capacity of at least eight hours a week engage in a participation review, an interview and development of a participation plan with Centrelink to ensure that they can participate in the workforce, if at all possible. The third aspect is the portability of the disability support pension. I commend the member for Canberra for her strong advocacy in relation to that. I support all of these measures.

I would like to talk about a couple of aspects of the local impact of the disability support pension and also to recognise a number of people who have worked hard in this area for a national disability insurance scheme. I held a forum on a national disability insurance scheme with Every Australian Counts in Ipswich in October 2011. I held it with the Parliamentary Secretary for Disabilities and Carers, Jan McLucas, and dozens and dozens of people attended. There was strong and overwhelming support for a national disability insurance scheme—tomorrow, if at all possible. The member for Menzies criticised us in relation to it, but their policy and plan is on the never-never—possibly it is an aspiration; possibly it might come when they potentially get the budget into one per cent surplus. We are not sure. We do not know. They are neither Arthur nor Martha on this. We are not sure what their policy is. They say they are supporting a national disability insurance scheme, but one would never know with the coalition. After having all positions possible in relation to e-health, you just never know. On the national disability insurance scheme we are not sure what their policy is.

We want to get the major reform right. We want to make sure we provide for this. Why is it so important in my electorate? It is because my electorate probably has more carers and more people with disability than any other electorate in Queensland. It is because of the socioeconomic background, as Carers Queensland pointed out to me about a year or so ago when I met with them.

We are supporting Ipswich people through great programs and wonderful local organisations that do great work: organisations like ALARA; Alzheimer's Association of Queensland; Brisbane Valley Car and Concern Meals on Wheels; Cabanda Care; CODI; Ipswich Community Aid; Ipswich Meals on Wheels; Spiritus; Ozcare; Blue Care; Kilcoy Meals on Wheels; Lowood and District Meals on Wheels; the Lutheran church; We Care Aboriginal and Torres Strait Islander Service for the Aged and Disabled; and West Moreton Health Service, all of whom recently got funding under the HACC program. There was $973,600 for domestic assistance and centre based care—many for people for disability. There was great funding for organisational, financial and operational support. There are great organisations like Ipswich Hospice Care, RSL HomeCare, West Moreton Care, Ipswich Multi-Service Centre, the National Respite for Carers Program and Alzheimer's Association of Queensland, all of whom received funding recently—nearly $4.2 million in extra funding for two years.
I particularly want to mention two people who have been strong advocates. They were there on the day we had Parliamentary Secretary Jan McLucas in Ipswich at the Trades Hall. They met with me on many occasions to talk about this. They encouraged me to put on what I now have as our annual event, which is the Blair Disability Links, where disability support groups come to the Brassall Shopping Centre. We had 27 disability support groups located there on 2 December last year to talk about how they can support people with intellectual and physical disability. Two great advocates in my electorate for this are the regional facilitators for Queenslanders with Disability Network. They are Peter and Linda Tully. Peter moved to Ipswich—he had the misfortune of not being born in Ipswich—in October 1997. He moved there from Wynnum, in the electorate of Bonner. But he saw the good sense of coming to Ipswich. He started attending the Catalyst Church in Brassall in Ipswich and started working as a volunteer doing IT. He is still there today with the media arm of the church. He assisted in a number of events over the years throughout Ipswich. On Linda’s return to Ipswich she started driving for her parents as a courier driver before obtaining a maxi-taxi licence with Yellow Cabs. She drove that until purchasing a local flower-delivery business. She started attending Catalyst Church in August 2007. They work together and they work hard. They are great advocates in the local community. They are excited as they have been recognised as local heroes for their work by the Catalyst Church and by other organisations. They have been involved in the Ipswich community for Queenslanders with Disability Network and Ipswich Community Aid. I believe their background and the disability from which Peter particularly suffers has given him a real understanding of and empathy for people with disability.

Peter wants to ensure that Ipswich is a place where people with a disability come to live, work, rest and play. I commend them for the great work they do and I thank them for what they do in my community. They make it a better place. This legislation we have here will make this country a better place.

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (12:07): The Social Security and Other Legislation Amendment (Disability Support Pension Participation Reforms) Bill 2012 introduces two key reforms to the disability support pension announced in the 2011-12 federal budget as part of the Building Australia’s Future Workforce package of measures. These significant reforms will, for the first time, introduce new participation requirements for certain disability support pensioners and allow disability support pensioners to work more hours without having their payment suspended or cancelled. This improved support for Australians with disability will help them into work, where possible, but will still make sure that there is an essential safety net for those who are unable to support themselves fully through work.

Many people with disability are great contributors in the workforce, and many want to do more. This bill contains three disability support pension measures, all effective from 1 July 2012. With the first measure, more generous rules will allow all disability support pensioners to work up to 30 hours a week without having their payments suspended or cancelled. These people will be able to receive a part pension subject to the usual means testing arrangements.
Since the previous government's introduction of the Welfare to Work changes on 11 May 2005, those with newly granted disability support pensions can only work up to 15 hours a week before their payment is suspended or cancelled. The 15-hour rule can make it difficult for disability support pensioners to find work that is limited to 15 hours a week. People will now be able to take up work or increase their hours if they are able to do so. The change will help address the low workforce participation rate of people with disability.

The second measure will introduce new participation requirements to encourage disability support pensioners with some capacity to work to engage with the workforce. Disability support pension recipients under age 35 who have a work capacity of at least eight hours a week will be required to attend regular participation interviews with Centrelink to develop participation plans tailored to their individual circumstances, helping build their capacity. Participation plans could involve working with employment services to improve job readiness, searching for employment, undertaking training, volunteering or undergoing rehabilitation. There will also be the opportunity to connect disability support pension recipients to other services and supports that they need to overcome barriers to participation, such as drug and alcohol rehabilitation, mental health services and other community services. Exceptions to these participation requirements will apply to disability support pension recipients who have a work capacity of zero to seven hours, those who work in an Australian disability enterprise, those under the supported wage system and those who are manifestly eligible for the disability support pension.

The third measure introduces new, more generous, rules to allow people receiving a disability support pension who have a permanent disability and no future work capacity to travel overseas for more than 13 weeks while retaining access to their pension, excluding certain add-on payments such as rent assistance. Existing portability rules will continue to apply to disability support pension recipients who may have some ability to work. Other working age payments will not be affected by these changes to portability arrangements. I thank all the members who have contributed to the debate.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (12:12): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Extradition and Mutual Assistance in Criminal Matters Legislation Amendment Bill 2011

Returned from Senate

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

COMMITTEES

Social Policy and Legal Affairs Committee Report

Mr PERRETT (Moreton) (12:13): On behalf of the Standing Committee on Social Policy and Legal Affairs, I present the committee's advisory reports, together with the minutes of proceedings on the following
bills—the Classification (Publications, Films and Computer Games) Amendment (R 18+ Computer Games) Bill 2012 and the Crimes Legislation Amendment (Powers and Offences) Bill 2011—together with the evidence received by the committee.

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

Mr PERRETT: by leave—I rise today to present two advisory reports on behalf of the Standing Committee on Social Policy and Legal Affairs. The first is for the Classification (Publications, Films and Computer Games) Amendment (R 18+ Computer Games) Bill 2012. This bill proposes to introduce an R18+ category to the classification system for computer games. At present, computer games are classified G, PG, M, or MA15+ or they are refused classification and are prohibited. The bill would introduce the R18+ category—which currently applies to films—for computer games so that computer games that are deemed to be acceptable for adults only can now receive a classification rating. The new R18+ category for computer games would be treated in the same way as other restricted classification categories with respect to restricted decisions and the provision of consumer advice by the Classification Board. A consequential amendment to the Broadcasting Services Act 1992 is proposed to recognise the new R18+ classification for computer games for broadcast content consisting of computer games.

The committee noted that extensive public consultation has been undertaken—and my very informed constituents have certainly spoken to me loudly and clearly. A discussion paper issued by the Attorney-General's Department on the introduction of an R18+ category for computer games received almost 60,000 submissions—gamers are not Luddites. Therefore in the committee's view additional consultation in the form of submissions and public hearings is not necessary. The committee recommends that the bill be passed by the House of Representatives without amendment; I repeat that it is without any amendment. So, and I have always wanted to say this, let the games begin.

I also present the committee's advisory report on the Crimes Legislation Amendment (Powers and Offences) Bill. This bill comprises eight schedules. The committee recommends that schedules 1, 3, 4, 5 and 6 pass without amendment. These schedules relate to forensic procedures; things seized by the Australian Crime Commission; the powers of the Australian Law Enforcement Integrity Commissioner; illicit substances; court orders and 'authorised officers'. However, the cross-party committee has made comments and recommendations for the other three schedules, and as the chair I will speak about these briefly.

Schedule 8 relates to state and territory fine enforcement agencies and proposes to allow such agencies to take non-judicial enforcement action to enforce Commonwealth fines without first obtaining a court order. The committee supports the reforms, but is concerned with their retrospective application. Retrospectivity is abhorrent for every lawyer and all of the members of my committee. Therefore, the committee recommends that the Minister for Justice provide a detailed explanation to the House regarding the need for retrospective application. However, the committee is most concerned about schedules 2 and 7. Schedule 2 relates to the information-sharing powers of the Australian Crime Commission. Significantly, the amendments in schedule 2 propose to grant the Australian Crime Commission powers to share information with the private sector. Through our inquiry
the committee recognises the need for these increased powers but is particularly concerned that the safeguards currently contained in the bill are inadequate. It therefore recommends amendments which will strengthen these safeguards. Indeed, in recent years, the scope of powers awarded to law enforcement agencies has widened considerably. Thus, the committee recommends that an audit or a stocktake be conducted to ensure such powers are being used appropriately and that the need for the law persists and is readily defensible.

Schedule 7 relates to parole, licence and supervision periods for federal offenders. Importantly, the amendments aim to abolish automatic parole. The committee supports the reform but has grave concerns again about the retrospective application of the amendments. This would be an unfair impost on and a dashing of hope for many people. The committee therefore unanimously recommends that the amendments apply only prospectively. Further, the committee is concerned that federal parole decisions are made at the discretion of the Attorney-General. In other jurisdictions, like state ones, parole decisions are made by a judicial officer or a board rather than by the executive arm of government. Thus, the committee strongly recommends that the Australian government give further consideration to establishing a federal parole board.

I thank the committee for its work in considering these bills and I commend both reports to the House.

BILLS
Antarctic Treaty (Environment Protection) Amendment Bill 2011
Report from Federation Chamber
Bill returned from Federation Chamber without amendment, appropriation message having been reported; certified copy of bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

Third Reading
Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (12:19): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Social Security and Other Legislation Amendment (Income Support and Other Measures) Bill 2012
Report from Federation Chamber
Bill returned from Federation Chamber without amendment, appropriation message having been reported; certified copy of bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

Third Reading
Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (12:20): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Road Safety Remuneration Bill 2011
Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2011
Second Reading
Cognate debate.
Debate resumed on the motion:
That this bill be now read a second time.

Mr TRUSS (Wide Bay—Leader of The Nationals) (12:22): The Road Safety Remuneration Bill 2011 and the Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2011 trouble me greatly. If I could find a way to reduce the road toll I would grasp it immediately. If I could find a way to legislate to eliminate tragedies on the road, and the sufferings of families and the loss of livelihoods associated with road accidents, I would support it enthusiastically. If I could pass a law that delivered safer roads I would want to do that, and I think everyone in the House has a similar view.

I have read all of the reports that have led to the introduction of this legislation and I have read the explanatory memorandums and other information. I have to say that, even looking at this as objectively as I possibly can, I cannot find any evidence that higher pay for truck drivers will actually deliver safer roads. Nothing in any of the documentation I have read establishes any real evidence that there is a direct link between higher levels of pay and safety on the road. None of the various studies that have been done come to that conclusion in any provable way. It is of course true that a driver who is under pressure—whether it be because of troubles in the home or financial difficulties, because he is worried about his timetable or where his next load is coming from or because he is concentrating more on the football or the music in his truck—is not going to be as safe as somebody who is actually paying attention to the road and to the wheel. There is certainly a link between stress and safety on the road, but to suggest that that can be resolved by higher pay rates I do not think is provable.

At the beginning, I must express concern about the way in which the government is handling this legislation. It is being brought on for debate today even though the committee to which it has been referred for consideration, the House of Representatives Standing Committee on Infrastructure and Communication, has not yet reported. I do not know when the committee is going to report. It might be tomorrow; it might not be until the next sitting period. I do not think it is appropriate for the parliament to be asked to debate bills that have been referred to a committee before the committee has reported. It was supposed to be a part of the new paradigm that there was to be a better committee system in the parliament, and I have heard the member for Lyne talk and boast about how he thinks the committee system is working better. But in reality that new paradigm is not present in the way in which this legislation is being dealt with today. It was referred to the committee. As I understand it, the committee has had one public hearing, which went for a couple of hours. The member for Lyne is actually on that committee but did not attend that hearing. The debate is now being brought on before we have had the benefit of knowing what the members who considered this matter in detail actually think about it—whether they believe that amendments are required or whether or not the bill is worthy of support. What is the point of the committee bringing in its report after many of the members participating in this debate have already made their contributions? This is an unsatisfactory process which demonstrates a contempt for the proper processes of the parliament.

The public hearing that was held raised quite a number of significant issues and the submissions that were made to the committee also raised important issues. I would like to know how the committee has assessed those issues before I am asked to respond, on behalf of the opposition, to this piece of legislation. It is quite extraordinary
that this issue has been around within Labor circles in state and federal governments for decades. The report that led to this piece of legislation was written in 2008. Now the legislation finally comes into the parliament and we are expected to deal with it before allowing just a couple of days for the committee to do its work. In my view, that is unsatisfactory. The government uses its numbers on the committee to curtail many of the examinations that go on and to choose the witnesses. For the debate to then be called on before the committee has reported shows that the government is out of touch and not really interested in the proper processes of a democracy.

In addition to that, it is my understanding that the government intend to move a series of amendments to their own legislation; but the amendments have not been made available to the opposition. Industry has been told that the amendments are out there, that they have been drafted. Industry is not allowed to see them and the opposition are not allowed to see them, yet we are being asked to undertake the debate. The government obviously know the legislation is flawed, because they are going to propose their own amendments, but they will not even tell the opposition what those amendments are. Yet we are expected to make our contributions to the debate today. In my view, that is completely unsatisfactory.

Compounding all of these suspicions is the way in which the government has handled the legislation. The Minister for Infrastructure and Transport introduced the bills into the parliament, but I am told that their passage has now been moved across to the minister for industrial relations. Any pretence that this legislation was actually about road safety and about having a safer transport network was blown aside when the bills were moved from the transport department across to industrial relations. The obvious conclusion one can draw is that this is legislation about industrial relations rather than road safety. The titles are misnomers—and indeed as you go through the contents of the bills it is clear that they set up a new tribunal and introduce a range of arbitration arrangements which are linked to industrial relations legislation.

In relation to the legislation itself, the coalition strongly supports improving road safety in the heavy vehicle industry and, in doing so, making roads safer for all road users. According to the Bureau of Infrastructure, Transport and Regional Economics, during the 12 months to the end of June 2011, 185 people died from crashes involving articulated and heavy rigid trucks. For articulated trucks this was a decrease by an average of 3.5 per cent per year over the three years to June 2011. For heavy rigid trucks, it decreased by an average of 14.7 per cent per year over the same period. This has happened despite the fact that the number of trucks on the road has increased enormously. Also, the length of distance that they travel has increased enormously over that period. So whilst any death on the road is more than is acceptable—any loss of life is unacceptable—the reality is that there has been a steady improvement in the safety record of the transport industry. That improvement needs to go further and initiatives have already been introduced which I think will continue to make a difference. But the need to introduce this bill at the present time is not supported by the statistics in relation to road accidents involving trucks.

Government, industry associations, trucking companies, truck drivers and all other road users must continue to do more to bring the road toll down. Of itself, the fact that the toll is going down is not a reason to oppose this bill. A reason to support the bill
would be if it was in fact going to make an improvement; if it was going to make a difference. That is the key piece of evidence that the government has not yet provided. The question is: what will get the results that we all want? The coalition contends that this bill is fatally flawed for a number of reasons and therefore is unlikely to achieve its stated objective. It is not going to significantly improve road safety in the heavy vehicle industry.

By way of history, this legislation goes back to state and federal ministers for transport—I think all Labor ministers at the time—who commissioned a report from the National Transport Commission on what has been referred to as 'safe rates'. The document I am holding up is that report, and I have read it at some length. The first thing that disturbed me a little bit was the choice of people to undertake this inquiry. The Hon. Lance Wright, who was one of the committee members, was a former president of the New South Wales Industrial Relations Commission. He has a long history prior to that in the union movement, but obviously as an industrial relations commissioner and as a lawyer one would expect him to discharge his responsibilities to the committee in a fair and reasonable way. The second person who undertook this inquiry was Professor Michael Quinlan. Professor Michael Quinlan has a long history of support for 'safe rates'. He has written many, many papers on the issue. And, indeed, if you read this report, the most quoted authority for the findings of this report is Professor Quinlan himself. So Professor Quinlan is using his own previous work to support the recommendations of this inquiry. So the committee can hardly be considered to have been objective. It can hardly be considered to have been impartial.

It seems that the committee was chosen to achieve a desired outcome. The long cherished desire of the Transport Workers Union to have somebody interfering and deciding what the rates of pay should be for truck drivers has come to fruition through it. The way the inquiry was managed opens real questions about whether the issues have been dealt with objectively. When you have got to quote yourself time and time and time again to justify the conclusions at the end, you have really got to ask serious questions about whether or not this report has been properly objective.

The bill establishes a new Road Safety Remuneration Tribunal, which is to be given broad powers to investigate and set pay rates and conditions for any segment of the heavy vehicle industry. The bill will cover the broadly defined road transport industry, which includes: the road transport and distribution industry; long distance operations; the cash-in-transit industry; the waste management industry; and all road transport drivers, including independent contractors. The tribunal must prepare an annual work plan, 'with a view to making a road safety remuneration order' and, in doing so, must consult with industry. The tribunal can issue road safety remuneration orders with respect to 'remuneration and related conditions' either on its own initiative or at its discretion on application from an industry participant or an industrial association. RSROs may contain minimum remuneration and employment conditions additional to those contained in the award and can address any number of industry practices, including loading and unloading, waiting times, working hours, load permits, and payment methods and periods.

The tribunal can also make an order to 'reduce or remove remuneration-related incentives, pressures and practices that contribute to unsafe work practices, for example speeding and excessive working hours'. It is important to note that an RSRO will override a Fair Work Australia award or
agreement if the RSRO is more beneficial than the Fair Work Australia document. So the government has just set up its iconic workplace relations legislation, the Fair Work legislation, and now it is setting up a tribunal that can actually override the Fair Work Act. The tribunal is also empowered to deal with disputes on remuneration or related conditions between employers-hirers and employees-independent contractors, where the dispute is not before the FWA. The dispute can be dealt with by conciliation or mediation and, if an agreement cannot be reached, by arbitration.

The legislation is declared a ‘workplace law’, giving drivers covered by enforceable instruments the rights of employees under the Fair Work Act. The Fair Work Ombudsman and FWA have general jurisdiction to ensure compliance with the act and its enforceable instruments. This, together with the fact that the development of this bill has been moved from the Department of Infrastructure and Transport to the Department of Employment and Workplace Relations—not to mention the fact that the bill was introduced, as I said before, by the Minister for Infrastructure and Transport but it is now being dealt with by the Department of Education, Employment and Workplace Relations—just goes to show that this bill is not about road safety. It is an industrial relations measure, and that is how it is now coming through to the parliament.

It is clear that this legislation is the payback to the Transport Workers Union for loyal and faithful service to the Labor Party over many years. The Transport Workers Union have been driving this legislation, and this is the reason it has come into the parliament. Road safety in the heavy vehicle industry is an important issue and more needs to be done to address it. However, introducing industrial relations measures under the guise of road safety enhancements is not the way to address serious issues faced by the industry. As I said earlier, the bill results from the 2008 National Transport Commission report, which states that there is a link between remuneration rates and methods and safety. As I also said, it was based mainly on the previous writings of one of the committee members. The TWU and the minister have strongly argued that the legislation is designed to improve safety in the heavy vehicle industry because there is a link between remuneration and conditions and safety. However, the existence of this causal connection has been heavily questioned by a number of industry representatives, truck drivers and small business owners. That, ultimately, led me to question whether the bill will be effective at all in improving road safety in the heavy vehicle industry.

Indeed, the government's own regulatory impact statement on the bills questions the existence of a link between remuneration and road safety. It says at page IV:

Speed and fatigue are often identified as the primary cause for a crash but it is a much harder task to prove that drivers were speeding because of the manner or quantum of their remuneration ...

It goes on to say:

... data at this point in time is limited and being definitive around the causal link between rates and safety is difficult.

It is clear that several subjective judgments are being made to make the claim that there is a definitive link between road safety and remuneration. The amount of money that a person earns before they decide they have a sufficient salary is of itself a subjective concept and, as such, will depend on the individual. One person will be satisfied with $1 more; somebody will want $5; somebody else will want $100. If you are going to reduce stress by paying people more, how
much money do you have to pay them? If you are going to stop an accident, what is the price of stopping each of those accidents? If a driver is worried about his schedule, his income, his next load, his family or his sick children he is not as safe on the road as somebody who is concentrating on the road and his wheel.

The Australian Logistics Council and the Australian Industry Group clearly state in their submissions to the House of Representatives Standing Committee on Infrastructure and Communications that they do not believe that the link between road safety and remuneration rates and conditions has been definitely proven. Additionally, Independent Contractors Australia notes:

There is no proven link between pay rates and the incidence of road transport safety. There is, however, a direct link between driver behaviour and road safety.

The National Road Transport Operators Association—NatRoad—in their submission provides an analysis of the bill through the eyes of classic economic theory. They explain that it is generally agreed that workers will, for a time, increase their labour availability in response to higher wages because the higher rewards will generally increase their incentive to work while decreasing the relative attractiveness of leisure time, because the opportunity cost becomes greater. NatRoad argues that this is particularly true for the lowest paid and states their belief that 'these workers are likely to increase, rather than decrease, their labour availability in response to a Road Safety Remuneration Order which marginally improved remuneration levels for these workers'.

The Ai Group picks up the same point and states:

Even if a causal connection between remuneration and unsafe practices is presumed to exist it does not follow that establishing higher minimum rates or prohibiting certain methods of payment will result in drivers changing their unsafe practices. Rather, if it is accepted that an individual’s on road behaviour is influenced by the quantum of their remuneration it is conceivable that increased rates may further incentivise individuals to engage in behaviours such as the working of excessive hours in order to reap the greater rewards.

Additionally, NatRoad makes the point that research by the New South Wales RTA concludes that the heavy vehicle driver is at fault in only 31 per cent of fatal crashes involving a heavy vehicle. They say:

It cannot be expected that driver remuneration would have any bearing on the remaining 69 per cent of fatal heavy vehicle crashes.

How does this bill address road safety in these circumstances? The simple answer is that does not. For all of these reasons it is a fair conclusion that the underpinning assumption for the bill is still far from settled. What is a 'safe rate'? Even if it is accepted that paying drivers a 'safe rate' would improve safety in the trucking industry, then the next question is: what would be a safe rate? Can you ever determine what a safe rate is?

Noel Porter, the owner of Porter Haulage, from Victoria, has been involved in local and interstate road transport since 1976. He says in his submission to the House committee that it is his firm view that, 'There is no such thing as a safe rate.' Dallas Brookfield, from Brookfield's Transport Services, in his submission to the House committee agrees. He spent time on his submission outlining the complex, fixed and variable costs involved in operating a B-double truck, including registration, insurance, loan repayments, fuel, tyres, repairs, maintenance, wages, administration, cleaning and various other costs which vary according to the amount of kilometres driven. He concludes, 'How on earth can a committee decide on
what a safe cartage rate will be?' He goes on to say:

To have someone, or a body of only a few so called experts, sit and decide what our minimum or “safe rate” is would be a joke as it just cannot be done.

In addition to these general points in the ‘safe rates’ debate, the bill has the potential to conflict with others already being developed and undermine much of the good work that has been done in improving standards in the heavy vehicle industry. This point is picked up by the New South Wales government in its submission where it notes the good work that is being done through COAG processes to implement the National Heavy Vehicle Regulator and the National Heavy Vehicle Law. The NHVR has taken years of development, consultation and negotiation by successive governments and will standardise a number of previously conflicting legislative requirements. Importantly, it will include national chain-of-responsibility provisions which would make companies directly responsible for the unsafe behaviours of their drivers. This has the potential to be a much more powerful influence for safety than does any new pay rate.

It should also be noted that the model Work Health and Safety Act commenced operation in some Australian jurisdictions on 1 January 2012. These laws require a business to ensure that workplace risks are as low as reasonably practicable. Not only has this legislation not been given the opportunity to prove its effectiveness but the Australian Logistics Council notes about the bill:

There is a direct collision between the philosophy of this Bill, which raises the spectre of inserting command/control regulation in an areas where other laws require the application of ALARP principles - which in one way places greater burdens on operators as ALARP implicitly requires implementation of ‘best practice’ and continuous improvement.

Additionally, the Ai Group have suggested that the regime undermines the operation of the Fair Work Act by overriding decisions of the existing industrial tribunal. In doing so, the bill questions the effectiveness of Labor’s modern award process as being able to produce appropriate outcomes. Either the minister believes that the Fair Work Act provisions are not working or the bill is an attempt to push up wages for truck drivers.

This is another layer of red tape for business. In terms of red tape, the heavy vehicle industry is already subjected to numerous regulations and legislation at both a state and a national level. These include the independent contractors legislation, workplace health and safety legislation and the soon-to-be-implemented National Heavy Vehicle Regulator, which commences on 1 January 2013. As NatRoad points out, there are existing laws that apply to wages, conditions, contracting agreements, road use, vehicle standards, fatigue, speed, mass, dimension, loading, substance abuse and record keeping as well as general workplace health and safety obligations. The bill will add further complexity to an already bureaucratic area.

In New South Wales, for example, the bill will be the fourth layer of regulation for driver fatigue. This point was raised by a number of small businesses in their submissions to the House committee inquiry. Ross Ingram, from Bonaccord Freightlines, in Victoria, states:

After 20 years in the freight business, with 35 trucks travelling in 4 different states, we are often frustrated at the lack of consistency with various legislation and road laws between the states.

He goes on to discuss the complex documents and conflicting information that he believes make operations more difficult.
Ken Wilkie talks about the ‘complicated compliance requirements currently demanded by government and its agencies’ as a major cost burden on operators. The Civil Contractors Federation is also concerned about the administrative and compliance burden and argues that a further developed regulatory impact statement is required before the bill should be considered any further at all.

The bill, if successful, will certainly make the industry less flexible, as RSROs have the potential to stifle efficiency gains and innovation, with RSROs reflecting the standards in force at a particular time rather than current provisions which allow adaptability and flexibility. Additionally it will remove the ability of the industry to respond to changing conditions such as fuel prices.

The bill would also cover independent contractors who are currently outside the jurisdiction of the Fair Work Act. In doing so, the bill will create a new class of employment relationship that is neither employer-employee nor hirer-independent contractor. This will remove the independence of owner-drivers and will significantly reduce their autonomy.

Independent Contractors Australia argues that the actions of a small number of dangerous drivers who are already breaking existing laws are being used to justify making owner-drivers subject to provisions similar to those in the Fair Work Act. The Civil Contractors Federation also argues this point very strongly in its submission. The point is also picked up by the ICA, who argue that the price-fixing element will reduce competition, increase prices and lead to a less efficient and less effective transport sector in Australia. There is no doubt that this bill will lead to higher costs for Australian industry and higher costs in every store in every town, and particularly for regional Australia, which relies so much on the transport sector.

NatRoad notes that the floor price concept has the potential to lower pay and conditions for some owner-drivers who have negotiated a better agreement through superior service or a longstanding relationship. If the floor price becomes the standard rate for all freight movements, this may well be the case. NatRoad argues:

Many consignors will immediately question why they should offer more than the standard rate contained in an RSRO when tendering contracts to the market.

By reducing the autonomy and independence of owner-operators, the bill will have a significant impact on the state of employment relations in Australia. We will, for the first time, have a new type of employment relationship whereby independent contractors in the heavy vehicle sector are treated differently from independent contractors in any other industry.

It should also be noted that the bill is flawed in its coverage. The Department of Education, Employment and Workplace Relations estimated that, due to constitutional limitations, the bill will only cover approximately 80 per cent of employees and 60 per cent of owner-drivers.

This is a curious statement in the light of the fact that both the Queensland and the New South Wales governments have stated their opposition to the bill. The Queensland Labor government is opposed to this bill and has made that clear at every stage, and now New South Wales and other state governments feel the same. New South Wales, Victoria and Western Australia already have their own laws in relation to this matter. Why are they being duplicated through this legislation? The reality is that harmonisation of any laws in the heavy vehicle sector has
been a lengthy and difficult process, so to expect the states to refer their powers in this area is incredibly naive, and to expect the states to sign up to something which overrides their own legislation also fails to reflect reality.

There are many other industry organisations that have serious concerns about this legislation. The Post Office Agents Association in their submission said: It seems unlikely that the Bill would improve road safety for Mail Contractors. Their industry has a number of particular issues it could assist, but the tribunal, they say, 'offers very little in the way of improved road safety'. So the reality is that this is not a solution.

The coalition has an alternative. We favour a multifaceted, holistic approach to improving road safety in the heavy vehicle industry. This will include building better roads, awareness programs, education initiatives, industry codes of conduct, building more rest stops and passing lanes, and looking at ways to use new technology to improve road safety. The coalition in principle supports initiatives such as GPS tracking devices, mandatory safe-driving plans and compliance with work health and safety regulations, fatigue and speed laws, including the chain-of-responsibility requirements, as well as the adoption of suitable industry codes of practice. These are the greatest way to deliver enhanced safety and fairness in the road system.

This bill will not deliver safer roads. It is an industrial relations measure, not a measure about road safety, and is therefore very difficult to support. *(Time expired)*

**Mr HAYES** (Fowler) *(12:52)*: I am proud to speak today on the Road Safety Remuneration Bill 2011 and the Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2011, which establish the Road Safety Remuneration Tribunal and take critical action to promote road safety and fairness for our country's road transport industry. The road transport industry is the deadliest industry in Australia, with 25 deaths per 100,000 workers in 2008-09. That rate is about 10 times higher than the average for all industries. Each year, approximately 330 Australians are killed and 5½ thousand Australians are injured in road crashes involving trucks. These are more than statistics; each number represents someone's husband or wife, mother or father, sister or daughter, brother or son. It is not just about truck drivers; it is about many members of our community who use the roads on a daily basis.

Two such community members were Albert De Beer and David Tagliaferri. David got a flat tyre on the Old Coast Road near Myalup in Western Australia in February 2011. Seeing David in trouble, Albert, who was a total stranger to him, played the part of the good Samaritan and stopped to help. Then tragedy struck. An oncoming truck hit both men and they both lost their lives. David's wife, Lystra, and his sister, Lisa, and Albert's wife, Suzanne, and his mother, Johanna Christina De Beer, are all in Canberra today to witness the passage of this legislation through the House.

As well as the horrific human cost, there is a definite economic cost to our nation, which is estimated at the moment to be $2.7 billion each year. Reforms that address the links between remuneration and safety—not just rates but structures and practices—were recommended by the National Transport Commission's 2008 review of safety and remuneration in the industry. Clearly these reforms are needed to make the sector fairer for drivers and to make our roads safer for all Australians.
I would like to congratulate the member for Hinkler on his forthright remarks to the Australian Logistics Council when they appeared before the House of Representatives Standing Committee on Infrastructure and Communications, on 15 February, as part of the committee's inquiry into these bills. Paul Neville said:

We have had a series of inquiries going back 10 or 11 years now, one of which I chaired, where we felt that the limits had already at that time been pushed to a point where drivers were not receiving fair reward. Two things were happening. In companies where there were employees they were taking on more overtime than they could reasonably handle. And in the case of the owner-drivers they were being set unrealistic limits. Just to say that you do not think there has been any evidence and that there has been a small decrease in the number of heavy vehicle road fatalities—I do not think that establishes anything.

The member for Hinkler is no stranger to safety issues in the road transport industry, having chaired the Beyond the midnight oil inquiry. I only hope that, when he goes back to his party room, he can convince his colleagues to support his remarks and his convictions in this matter.

Clearly the financial pressures being placed on road transport companies, and in turn on the truck drivers, by major retail clients is immense. Truck drivers, their families and Australian road users are being squeezed to death by the overwhelming market power of big retailers like Coles, which along with Woolworths accounts for over 30 per cent of the road freight on our roads today. They determine the work practices and timetabling. They have the power and the opportunity to impose good, safe work practices, but they have failed to do it. The notion of a fully contestable market sounds good, but unfortunately in this case the price being paid for those compromised practices is measured in lives lost, families wrecked and communities devastated.

Today I would like to talk a little bit about some of the people at the coalface in this debate and share some words from some of the truck drivers themselves. Former driver Andrew Villis gave evidence to the New South Wales Industrial Relations Commission:

When I was required to perform excessive hours I would sometimes experience a state of mind that I can only describe as hallucinations, which I considered to be due to sleep deprivation.

I would 'see' trees turning into machinery, which would lift my truck off the road. I 'saw' myself run over motorcycles, cars and people. I estimate that I had experiences like these roughly every second day. They were not an uncommon thing for me.

This is a heavy vehicle user on our roads.

Tom, a 40-year-old truck driver from New South Wales, summed up the pressures and dangers when he said:

I am doing 24 hours in unpaid waiting times a week. With trailers being preloaded by clients I cannot afford to wait another hour or so unpaid while they unload and reload a set of trailers to get the legal weights. I carry overweight regularly and I don't have a choice.

When his vehicle eventually gets loaded, Tom has effectively been working for four to six hours without being paid. The truly frightening thing is that that is just the start of his work day. He will be driving on our highways and freeways, through our suburbs and electorates, for the next 12 hours or so until his load is finished. It is hardly safe.

These are not just stories; these are facts. I used to regularly visit what is known as Uncle Leo's truck stop. They are the sorts of stories I would get from driver after driver who saw their occupation of driving trucks as one of driving mobile storage units for major retail interests. They were given slot times indicating when to arrive. It is not a
...this is a truck being scheduled for when it can arrive. Drivers' arrivals would be delayed and they would be forced to wait and not get paid for it. These stories illustrate why there must be full and proper recognition of the relationship between supply chain pressures, methods and rates of remuneration of drivers, and safety and accidents on our roads. I fully agree with the Prime Minister Julia Gillard's remarks when she said:

Australia's truck drivers work hard to make a living. But they shouldn't have to die to make a living.

This bill and the tribunal that it establishes will constitute an effective safe rates system for the Australian road transport industry. It is not about removing competition—far from it. However, it is about ensuring safe standards in an industry that represents the nation's deadliest workplace. The legislation will give effect to four key aspects that deliver a safe rates system. Firstly, it will apply a system to all participants in the supply chain that includes client accountability for safe planning, performance and rates. Secondly, rates and structures of remuneration will be established by an independent tribunal. Thirdly, it will provide the capacity to make binding determinations and resolve disputes. Fourthly, it will provide an appropriate and adequate enforcement regime.

The road safety transport tribunal will have the capacity to examine for the first time, and with national effect, all of the factors, including economic pressures, that impact on safety in this industry. The Road Safety Remuneration Tribunal will be empowered to inquire into sectors, issues and practices in the road transport industry and, where appropriate, determine minimum mandatory rates of pay in relation to employed and self-employed truck drivers. The tribunal will ensure that drivers do not have pay or pay-related incentives to work in an unsafe manner and that they are paid for the hours that they work, including waiting times and loading and unloading times. The tribunal will ensure reasonable, safe enforceable standards throughout the industry. The tribunal will ensure that the hirers of drivers and all participants in the supply chain take responsibility for implementing and maintaining safe standards. It will also ensure the approach is evidence based and it will resolve disputes.

In this place, whenever the activities of a trade union get raised the hackles of those opposite are quick to rise, and that is what occurred with the opposition spokesman for transport and his view about the Transport Workers Union. But as the member for Hinkler knows, the Transport Workers Union has had a long fight for safe practices for our road transport industry and is looking after the issue of road safety in general. I personally offer my congratulations to Tony Sheldon and the TWU for what they have done, not only for the employees in their industry, but also for working constructively with the government, which is dedicated to protecting the lives of Australian road users.

On 24 January, not far from where I live, a B-double crossed the embankment, crashed through the guard rails and smashed head-on into a car on a bridge in Menangle. The crash killed Calvin Logan, 59, and his elderly parents, Donald and Patricia Logan. They had been returning from a family function in Canberra. They were driving down the Hume Highway, the very road that I will be driving down with my wife on Friday as we return home to Sydney. We will be crossing the very same bridge at Menangle. To say that this is not personal would be an understatement. We all here have a community responsibility and I would urge all members of this parliament to put the community first and support this bill.
The families of Albert and David have learnt a lot about the trucking industry since the tragedy. The driver involved in that instance was sentenced to five years jail in January this year for negligent driving. However, the De Beer and Tagliaferri families see the bigger picture. Drivers should be responsible for their actions, that goes without saying, but ultimately it is those at the top of the supply chain, those who drive the standards, those who set the timetables, who need to take some responsibility. After all, that is what leads to carnage on our roads. So when those at the top of the supply chain fail to act and fail to set appropriate standards and conditions regulatory intervention is appropriate and, therefore, I say the imposition of safe rates is appropriate. I commend the bill to the House.

Mr BUCHHOLZ (Wright) (13:05): I rise to speak on the Road Safety Remuneration Bill 2011 and the Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2011. I share the thoughts and the comments of the shadow minister for infrastructure and transport, the member for Wide Bay, who spoke earlier. Along with the previous speaker, the member for Fowler, I have experienced and am very sympathetic to anyone who loses their life on the road. I have experienced loss of life in my electorate through the floods and natural disasters, so I am very au fait with the pain of losing people in your electorate. However, I do want to make the point that before coming to this place I owned a transport company. I believe I am the only person in this House who has had such an involvement in this industry. I had 14 depots throughout Queensland, I employed 105 permanent staff and contractors, and my payroll was around $80,000 a week specifically in the transport sector. I have some authority in this sector.

I have also stood in this place on a number of occasions and supported bills. The government will make the point that the opposition gets up and says, 'No, no, no.' I have stood in this place and supported numerous bills so that good policy had carriage in this place. But I stand here today, qualified in the industry, au fait with the machinations of the industry, and stress to the government that this is not good policy.

I will outline for you, categorically, why this policy should not be dealt with in the way that it is at the moment. Even looking at the way the bill is being carried, the procedure of the House is being totally disregarded. The House of Representatives Standing Committee on Infrastructure and Communications has taken evidence and has not given its report as yet but the bill is before the House. I believe that the government also has amendments to what is already a flawed bill before the House. So not even the government believes that the bill before us is intact. It is already proposing amendments.

It is right that you are going to hear members of the government speak about road fatalities and try to make the causal link between pay rates and road fatalities. We on this side of the House have no reservation about trying to preserve life. The causal-link process is far from accurate. Evidence that was given to the inquiry, evidence that I will share with the House, will raise doubts and concerns about the line of attack that the government will use to support this bill.

I will now take you to some of the comments by people who gave evidence at the recent inquiry. There were a number of people who gave evidence, but I have chosen the peak bodies or organisations that have a stronger emphasis on representing the voice of the independents. The independents, for the sake of this debate, are the people I will
refer to as one- to three-truck owners, not the multinationals. By definition, the independents are the people that the government is trying to assist—trying to help them by regulating their pay. The peak bodies are also not supportive of this because they see it as fundamentally flawed policy. The Australian Long Distance Owners and Drivers Association says:

... members feel that this Safe Rate legislation will only add to the ever increasing amount of compliance we are subjected to already.

...... ...

... the transport industry is the most legislated and regulated industry in this country. This is not bad provided it is enforced consistently across the country and the Chain of Responsibility is extended to cover government’s role in this industry.

I want to pick up on that comment because the member for Fowler made the point that he sat in a roadhouse and he spoke with drivers involved in the industry. I have sat in those roadhouses, I have showered in those roadhouses and I have slept in them. So I understand exactly what he was talking about. The point that the Long Distance Owners and Drivers Association was making is that it is a burdensomely overcomplied and overregulated industry. The point is that with regard to both of those examples that were put up—the excessive hours and not having the choice to carry overweight product—there are regulations in place for that. If you are driving over your logbook hours—and no reasonable operator encourages that with their staff, but I am not so naive to think that that does not happen—then you are in breach of regulations that exist. If you choose to carry product that you know is overweight, you are in breach of the regulations. So I am suggesting that putting another layer of compliance over the top of this for these people is not going to fix the principles or the practices that are already in place in the industry. Another layer of compliance is not going to fix it. I know genuinely in its heart that the government wants to get a resolution on this, but I am suggesting the means and the ways by which it is setting about it will not get it the outcome. I will be happy to give you my years of experience in the industry to get to an outcome. But I implore the government that the way it is going about it at the moment will not reach the desired outcome and does not have the support of the industry.

Brookfields Transport gave evidence to the inquiry stating:

“Safe Rates”, whilst a great idea in principle, it will have a huge amount of flaws in practice.

...... ...

You really do not need a committee to even look at “safe rates” as again, it will not work due to the wide diversity of road transport, and any attempt to introduce it would just show a total lack of understanding of road transport in Australia. Seriously, get out and actually talk to the back bone of road transport, and they are not the major companies. Find out what their real costs are, the government red tape, registration costs … waiting times at loading and unloading sites, and of course roads.

Predominantly, what the person giving evidence there was saying is not too dissimilar from what the government is trying to achieve. The government is trying to achieve a higher margin for the independent operators—for the people within the industry—by increasing the rate. What the evidence received by the committee is saying is that although they want the same outcome, they want the government to get its hand out of the pocket of the industry with regard to costs, reduce their overheads and allow them to operate in a free market so that they get that bigger margin. Do not increase their wages, just play a role in decreasing their costs. You
might think, "How does the government play a role in these increased costs?" As they have said, there is overcompliance and the burden of the workplace health and safety. To give you an example, I ask those people in the House now, and those people watching, to think about a figure—the cost. What do you think the price, imposed by government, is of the registration alone—a one-line item on one truck—on a B-double truck is at the moment? You might be thinking about the $300 or $400 that it costs for your car. A B-double registration for 12 months is $15,708. What do you reckon a multi-combination unit registration is? The answer is $22,200. Those costs have increased exponentially over the years. The industry is saying to the government, 'Get your hand out of our pockets and let us try and get on with trying to provide a lifestyle for our families.'

The National Road Freight Association said:

... over regulation and inconsistent regulation ... has far more effects of the Safety of our members.
I feel this "Safe Rates" bill will further monopolise the Transport industry and force individual operators out of the industry.

I know that it is not the government's intent to force people out of the industry, but when independent operators and peak bodies are telling you that this legislation is going to be detrimental you must take that on board, you must take that into consideration, because they are not lone voices. The Australian Chamber of Commerce and Industry said:

ACCI has considered the Bills and the Regulation Impact Statement (RIS) accompanying the Bills. The RIS indicates that the proposals appear less certain to deliver improved safety outcomes for road transport industry participants ...

It has had a look at the legislation and it just does not believe that it is going to work. Terrie Bradley, another small independent contractor, said:

... many of our members believe that the implementation of safe rates will only serve to disadvantage those of us who work for the right rate now.

Why is it that small independents are so concerned about getting a pay rise? It just does not make sense, does it? But when they are consistently saying this—and I am not just picking people willy-nilly from the industry—it indicates an overall mindset that this is bad legislation. One of the NatRoad surveys found that 74 per cent of their members did not agree with this policy. Labor understand the importance of 74 per cent. They had a vote the other day. They said that a 70 per cent vote gave them a mandate, that it was the majority of the room and that it showed it was time to 'move on and heal'. If 70 per cent, or greater than 70 per cent, of another industry is saying to you overwhelmingly that this is bad, you must take it on board. You cannot say that 70 per cent of one vote is a victory but that 70 per cent of voices in an industry must not be heard.

I live in a regional area and my post gets delivered by a little postal operator. The Post Office Agents Association said in point No. 33 of their submission:

It seems unlikely that the Bill would improve road safety for Mail Contractors.

Those little mail contractors are pulling in and out of the road all the time. The bill may be skewed towards linehauled road safety on our highways, but the far-reaching effects of this policy will touch the little postal operators—by definition, it will collect everyone. Point No. 43 of the same submission says:

Collective bargaining is already available under the Competition And Consumer Act 2010.

The Director-General of the Queensland Department of Justice and Attorney General said:
Queensland did not support any of the models proposed in the Directions Paper but argued that safety in the road transport industry is multi-factorial and should be addressed with a number of intervention strategies.

The National Road Transport Operators Association said that the January 2012 survey of 105 transport businesses indicated that 74 per cent rejected the supposed link between pay and safety and that the RIS and the 2008 report by the National Transport Commission acknowledge that the link is not conclusively proven. They went on to say that limitations on federal powers mean that the bill will not have full coverage, resulting in a two-tier system unless states refer their powers, and it is estimated that the current proposal will cover just 60 per cent of owner-drivers and 80 per cent of employees.

I truly believe that the industry needs review. It is unfathomable that a driver and independent operator would be expected to line up next to a multinational operator at a loading dock. Before we even turn our trucks on, you can see the comparative advantage for the multinational operator. I buy my truck directly from the local Kenworth dealer. The bloke next to me, who is the multinational, is buying directly out of the European Union. He is paying $50,000 to $60,000 per unit less than I am. His fuel bill is $1 million a month. He is buying from the terminals cheaper than I can buy from the service station which charges a retail margin. We are not starting from the same point, so trying to bring the base price up will only infect the market.

I would like the opportunity to speak further, but time is against me. There are issues with waiting times that the industry must address. There are demurrage times of four, six or eight hours when drivers are not getting paid. They do have fatigue issues, but my point is that this bill will not resolve that for the industry. The industry sector's voice must be heard.

In summary, if the government really wants to help the industry the best way it can do that is to get its hand out of the industry's pockets and allow those margins to return. Increasing the base cost is not going to get you to the place you want to be, but increasing the margins by dropping the overwhelming burdens of cost that the government places on the industry would be a place to start. I am more than happy to offer my time to work with anyone from the government to achieve something that looks remotely like it would work.

Mr MITCHELL (McEwen) (13:20): It is a pleasure to speak on these road safety remuneration bills. The member for Wright spoke very interestingly about the different organisations that he has spoken to. The only people he has never spoken to are the people in the trucks—the people who get out there every day. He sits there and says, 'Well, the best thing government can do is to get their hands out of the industry's pocket.' What he does not say is that a lot of those costs are state based. I know, through my 15 years in the transport industry, just how important this legislation is. Nothing could be more important than ensuring that people get a fair day's pay for a fair day's work.

Mr MITCHELL: I was going to say that anyone who has been involved in the transport industry, dealing with the owner-drivers—the people who are running on the smell of an oily rag trying to scratch a living—knows just how important it is that we ensure that owner-drivers and drivers are paid fairly. What we heard clearly from the previous speaker, though, is that the opposition do not agree with a minimum rate of pay. Underlying this is a return to Work Choices. They reckon the only way that businesses can make money is to cut wages for people scratching a living for their
family. They want to take fair pay away from people just so the fat cats in the transport industry can sit back and reap the rewards.

This is not just about ensuring that owner-drivers and drivers get a safe rate of pay but about ensuring their safety on our roads. It is a critical and vital issue for all Australians, including truck drivers, their families and the wider community. Sadly, as the Transport Workers Union has told us, around 330 people are killed on our roads each year. Think about that. It is an alarming statistic that almost every day a family will lose a loved one on the road when all they were doing was trying to scratch out a living. More than 1,000 people will suffer serious injuries on our roads each day in accidents involving trucks. Although the road death toll is falling, there is still more to be done. We cannot stand by and watch these accidents happen.

This bill establishes the Road Safety Remuneration Tribunal, whose objectives are to promote safety and fairness in the transport industry. It is that word ‘fairness’ that those opposite do not understand. The bills will see that truck drivers are reasonably paid for the work they do, and will get rid of the economic issues that force drivers to take unacceptable risks on the road. It is pretty easy to sit over there on that side of the House in your suit and say: ‘Drivers shouldn't have to speed. They shouldn't overload their trucks, drive excessive hours or cut back on vehicle maintenance’. But the reality is that many are forced to do so in trying to make a living.

Mr Hunt: That is exactly what the union said about the carbon tax.

Mr MITCHELL: The Member for Flinders, it is the height of hypocrisy for you to talk about the carbon tax. Read your thesis again! I am pretty sure that no-one on that side of the House would know the high costs associated with keeping a rig on the road—I am sure the member for Flinders would struggle with the word ‘tyre’ let alone know the price of one—such as the cost of fuel and spare parts, costs that are required to keep these small businesses on the road—and they are small businesses. For example, and to educate the member for Flinders, a cleanskin 10.00x20, which probably means absolutely nothing to him, would set you back $550. Think about how easy it is to get a puncture when you are putting around the roads in your car, running from cafe to cafe. Then think about the guys who are running up and down the road doing 2,000 miles per day: they could have 28 of those tyres on their truck and tyre combo.

A universal joint can set you back $600. They can break pretty easily—one mistake and they can pop out. When you think that some people are only earning a bare minimum of around $800 to do a Melbourne-Sydney run, one universal joint going will destroy your chances of making any money. That does not include the cost of fuel and everything else. Let us not get into the cost of diffs and engines and gearboxes. It is a very expensive industry to be in. It is one where you have to work hard and work long hours just to make a quid.

The Gillard government has been working on this legislation for some time. You think back on the processes that have gone into getting to this point. We released the Safe rates, safe roads direction paper in 2010 and called for public submissions. The Safe Rates Advisory Group was established in December 2009 and since then the industry has been consulted every step of the way. The road safety remuneration system will complement existing and new initiatives in the road transport industry, such as the National Heavy Vehicle Regulator. The Gillard government is committed to improving safety outcomes for truck drivers
while ensuring the long-term viability of the road transport industry. The nation's roads are shared by all Australians and it is in everyone's interest to ensure better safety on our roads.

We know that in collisions with trucks most deaths involve drivers or passengers in other vehicles. I have attended many accidents over the years, as a tow truck driver and as a CERT member, and they are very difficult to deal with. They are messy, there is the cost of human life, which you can never put a price on, and there is also the pain that the emergency services have to deal with in cleaning up the mess that is left, whether that is from a car versus a truck or a truck into a tree, which is the most common accident. These accidents happen because people are going over their regulated hours just trying to make ends meet. Accidents take many hours to clean up and leave huge scars on the landscapes, let alone the huge scars in the hearts of the families involved. It is something that never leaves you. I can still vividly picture some of the accidents I have been to that happened 20 years ago. These drivers are not just truck drivers, they are also husbands, fathers and brothers. We have a moral responsibility to ensure that people get a fair day's pay and to ensure that they are not pushing themselves over just make a living.

This government recognises the important role that our drivers play in the road transport industry. Small businesses make up around 60 per cent of the road transport industry. I heard earlier the comments by the Leader of the Nationals, who just did not seem to get that owner-drivers are small businesses. He just did not seem to be able to comprehend that. Although 60 per cent of operators in the transport industry are small businesses, they only makes up about 11 per cent of the income. That is a small proportion: 11 per cent of the income earned in the industry. Truck driving continues to be the industry with the highest incidence of fatal injuries. Those fatalities and injuries cost the community an estimated $2.7 billion in 2010 alone.

So what is the government's response? Through research, we have found that improved driver remuneration leads to increased safety outcomes. How? By taking away the stresses, and this is what the opposition does not get, of worrying about how you are going to make ends meet. This leads to better health, improved driver concentration and better road safety for all of us. There is evidence showing that many incidents in the industry result from speeding or fatigue. That is why the Gillard government is committed to improving the safety outcomes for truck drivers while ensuring the long-term viability of the road industry.

Australian truck drivers work hard to make a living. The Gillard government wants to support measures that ensure pay and related conditions encourage drivers to drive safely, manage their hours and maintain their vehicles. That will have a wider benefit for everyone in the community by making our roads safer. The measures contained in this bill are a targeted response to reducing crashes and fatalities involving trucks. The government is seeking to ensure that remuneration related conditions of truck drivers do not lead to financial incentives to drive when tired or to speed or, as in many cases, to attempt to simply break even. The unique circumstances of owner-drivers have long been recognised through regulation in a number of states. As far back as 1979 inquiries have recommended specific regulation for owner-drivers.

In 2008 the National Transport Commission report, Safe payments: addressing the underlying causes of unsafe
practices in the road transport industry, found that there was a strong link between payment rates and methods for owner-drivers and employees, that those methods created an incentive to drive unsafely and that this resulted in poor safety outcomes on our roads. In the National Transport Commission's review, economic factors were found to create an incentive for drivers to speed, work long hours and use illicit substances.

The NTC report recommended that this link be addressed through regulatory intervention at the national level by the establishment of a tribunal. Transport ministers then agreed that there was a case for investigating a whole-of-government regulatory approach to address this issue. To assist in responding to the NTC report, the then minister for workplace relations established the Safe Rates Advisory Group, which included industry and safety experts. This group developed a directions paper and recommended that a tribunal be established to deal with safety and pay issues for both employees and owner-drivers as set out in the NTC's review.

The directions paper was released in November 2010 for a three-month public consultation period. The submissions received expressed various views, with some strongly supporting a tribunal and others preferring a voluntary model. The SRAG met again in October and early November 2011 and feedback received at these meetings has been considered in the development of this bill. This bill is the result of extensive independent examination of the underlying causes of unsafe driving practices in the road transport industry and lengthy consultations with key industry stakeholders.

The Road Safety Remuneration Tribunal will be empowered to inquire into issues and practices within the road transport industry and, where appropriate, determine mandatory minimum rates of pay and related conditions for employed and self-employed drivers. The tribunal will comprise both members of Fair Work Australia and expert members with qualifications relevant to the road transport industry.

The bill complements existing federal legislation such as the Fair Work Act 2009 and the Independent Contractors Act 2006, plus current state based schemes dealing with owner-driver contracts and proposed state based heavy vehicle laws. Where the tribunal determines that a sector of the industry has poor safety outcomes, the tribunal will be able to make road safety orders to improve the on-road safety outcomes for drivers operating in that sector.

This is important because I know from all my years in the industry how owner-drivers get squeezed on their rates. It becomes a Dutch auction where you will go to driver A and say, 'I'll pay you $1,200 if you do a Melbourne-Sydney leg,' and he agrees. Then you go to driver B and say: 'He'll do it for $1,200 but I need it cheaper. Will you do it for $1,100?' It just screws its way down and down, so no-one makes any money. Then, once you finally get to Sydney after five hours of sitting at the docks or whatever waiting to be loaded and then heading up the road, risking life and limb on the roads, you have to go through that process again or else you will come back empty. Coming back from Sydney with an empty load you will have easily used 300 or 400 litres of fuel, and that will come out of your pocket. So you lose all the money that you made on the way up. And that is without what I said earlier about things like getting a puncture or breaking a windscreen. It is this stuff that they do not seem to understand. They seem to sit there and think: 'The only way we can make our roads safer is if the bosses make
more money. Don't worry about truck drivers or the owner-drivers. As long as the bosses make money, the industry is well. We come to a utopia of Liberal Party DNA. The fact of the matter is that you need to have people earning a fair rate to ensure that when they get on the road they are not sitting there worrying about things, taking shortcuts, speeding and overloading but are actually doing their job, which they can do extremely well.

I do not think anyone over there has actually sat in a truck and done trips from Melbourne to Brisbane or Melbourne to Adelaide. When you head up the Hume Highway on a Melbourne to Sydney run it is pretty boring once you have done it 10 or 11 times. Once you have done it 50 or 100 times, the road seems to go forever and you can just about pick out every tree along the way. You need to have concentration on the road with all the animals, cars and everything else. I have seen friends of mine involved in accidents where drivers have gone to sleep and crossed the road in front of a truck. I have seen it happen quite a few times. The most important thing when you are driving a truck is not having to be worrying about where your next dollar is coming from and not worrying if you have enough money to make the repayments on the truck or the trailer or the house or that you have enough money on the table so that your family can be fed.

These are the things that matter to people every day of the week when they get in those trucks and drive up and down the highway. We have a moral obligation to ensure that they get fair pay for doing fair work. I do not think anyone should argue against ensuring that when people go to work every day they can work in a safe manner and can be sure that they will get the pay that they deserve for the miles they travel and the effort they put in to keep Australia on the move. (Time expired)

Mr HUNT (Flinders) (13:35): It gives me great pleasure to address the Road Safety Remuneration Bill 2011 and the Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2011 and to do so in response to the member for McEwen after his customarily eloquent, well-crafted and no doubt lucid contribution to the House.

The heart of this bill is a great contradiction to everything the government is doing on the carbon tax. We have just heard an informed presentation about the trucking industry, and what we have been told is that if costs rise for the industry and if drivers are not paid more there will be terrible accidents. Yet we know that the carbon tax would apply not just to 500 companies but to 60,000 off-road diesel users and to another 40,000 on-road diesel users as of 1 July 2014. So it is not 200, 300, 400 or 500 users, but 100,000 users. The very people who are on the front-line, who have the most to lose and the most to pay, are the small-business operators at the heart of the trucking sector. The very measure that this bill is purportedly designed to address is fundamentally compromised by the carbon tax. There is no doubt, no debate and no denial, because the carbon tax is intended to increase costs for the trucking industry. That is how it is designed and that is how it will work. It will increase the cost of activities that involve the use of electricity, gas or fuel.

We have just heard an extended discussion about income and safety, yet there is denial of the fact that the carbon tax, at $9 billion a year, will directly, without question, affect the income, the standard of revenue and the viability of businesses in the trucking industry. But do not take our word for it. The union was absolutely clear that it risks putting greater pressure on drivers. The
Australian Trucking Association was absolutely clear that it would not just risk the viability of businesses but place greater pressure on drivers. They were fine words from the member for McEwen, but at their heart they were hollow, because there is a wilful blindness to the impact of the carbon tax on the revenue streams of the trucking industry. By his own argument, by his own account, that will lead to an impact on safety in the sector.

Again, these are not our warnings, they are the warnings of the small-business operators, of the union and of the association. Let there be no doubt that if this bill is about safety there is a hole in its heart, the hole caused by the change of 6½ cents a litre to the diesel fuel rebate, which will continue to climb upwards. That change commences for the off-road sector on 1 July this year and for the on-road sector on 1 July 2014. There will be a total sweep up of 100,000 small businesses. Those are the facts. That is the reality of the impact that the carbon tax, through its impact on the diesel fuel rebate, will have on the trucking sector, as is intended. It is designed to make it less affordable to drive. That is the purpose, that is the intention, that is the theory, that is the structure, that is the practice. That is what it will do because that is how it is intended to operate. So when those opposite say that this bill is about safety in the trucking sector, let us address the single greatest financial impact that this parliament is involved with in relation to the trucking sector. To do otherwise is simply to be in denial.

That brings me to the second point I wish to raise on practical action as an alternative to the measures contained in this bill. In my own electorate there are four major road reforms which would improve safety. We have seen many over the last half decade and beyond, and I am delighted to have played a small role in helping to bring some of these to pass. For the future there is a bypass for Lang Lang, through which an estimated 600 B-double trucks go roaring every day. The trucks pass literally within centimetres of Lang Lang Primary School. I have walked that road—I did it in August last year—and can say that it is literally within a metre, a matter of centimetres, of the primary school because there is no shoulder to the road at that point.

Mr Mitchell interjecting—

Mr HUNT: For those who care about safety this would not be the moment to object. The trucks also travel right through the town's high street. Every resident of Lang Lang and every visitor to Lang Lang sees it and knows it. This is an area of gravel pits. It is an area where sand is extracted and where large trucks, B-doubles in particular, travel. We need a bypass for the town. There was previously funding for one in the coalition’s policy. If the government wants practical action I implore it to consider a bypass for Lang Lang.

I am delighted that the state government has agreed to support the Koo Wee Rup bypass. In this case, there are currently 1,500 trucks travelling through the centre of Koo Wee Rup every day. There are real risks for elderly residents and children. The community centre and the bowls club are on the route currently used by so many trucks daily. A bypass is a real priority. It would have a real impact. It would make a profound difference to the safety and security of the residents of Koo Wee Rup. We were facing the risk of numerous B-double trucks travelling through the towns of Crib Point and Hastings if plans for a bitumen plant were put in place. We have defeated that so far; we have offered alternatives. I am pleased to report on behalf of the community that, to this point, it appears to be a victory. Similarly, we want to see the completion and
full duplication of the Western Port Highway. It would be good for the residents of Hastings and for the safety of people throughout the Mornington Peninsula, particularly on the Westernport side of the Mornington Peninsula.

Let me conclude with our concerns about this bill. They are simple: the bill does not achieve the outcome it wants. The evidence from the Australian Industry Group and others is clear. In particular, it undermines years of activity and years of constructive work which comes to fruition on 1 January 2013 with the implementation of a National Heavy Vehicle Regulator. That is real and significant. It was an agreed outcome that was not a political fix. It is an approach about standards and safety and it is specifically focused on producing safety outcomes. Every single person in this House wants to improve safety outcomes. The question of course is whether people are being wilfully blind because we do not wish to face the consequences of our own actions. The right way forward is to have a National Heavy Vehicle Regulator that allows for an express, clear and absolutely specific focus on safety. The wrong way forward is a carbon tax which will increase the cost of transport and place greater pressure on the small businesses and operators. For that reason, we oppose the carbon tax and we cannot support this bill.

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 for Flinders will have leave to continue his remarks should he so desire.

STATEMENTS BY MEMBERS
Solomon Electorate: Darwin Housing

Mrs GRIGGS (Solomon) (13:45): I rise again to raise the important issue of the 396 RAAF base houses in Eaton, Darwin. These are the same houses I have spoken on before in this place, the same suburb where over 200 taxpayer funded houses are sitting vacant, wasting away in the tropics. This is despite the parliament unanimously supporting my motion last year to make these houses available to Territorians. Shame on the Gillard Labor government for wasting taxpayer funded resources. And shame on this Gillard Labor government for ignoring the will of the parliament and the will of Territorians.

I also hear that this government is now planning to knock down 120 perfectly good houses in the suburb of Eaton and replace them with 120 houses. What a disgrace. Let me tell you this is not the first time this government has ripped down perfectly good accommodation in Darwin. Three hundred units have been knocked down on the Robertson barracks. Those units were less than 10 years old. What rationale could there possibly be for knocking them down? Secondly, why was it that units that are 15 years old in the same barracks are still standing? This is a disgrace. I hear that the guys that were staying in those units are now living in demountables on the base which are in worse condition than experienced by those people living in our detention centres in Darwin. So we have got Defence personnel living in worse conditions than detainees in detention. This is a disgrace and a shame on this Gillard Labor government. I am just embarrassed.

Nelson, Professor Hyland (Hank), AM

Mr DANBY (Melbourne Ports) (13:46): Emeritus Professor Hyland Neil Nelson, AM, died in Canberra on 17 February last, aged 74. For 45 years Hank was the leading historian of Papua New Guinea, the most respected commentator on its affairs, and a ready help to members of parliament across the Pacific, including this parliament. He
taught students, authors, politicians and public servants in PNG and Australia, and his expert guidance played no small part in promoting good relations between our two countries. He was not one for public parade, but his influence was immense among those who heard him speak, read his books or saw his films.

Professor Nelson established PNG history as a discipline and entrenched into it an emphasis on the experience of Papua New Guineans. He was as well a leading historian of Australians in World War II. He wrote seven books and hundreds of articles and expert commentaries, and co-produced two prize-winning documentary films and two very popular ABC series: *Taim Bilong Masta* on PNG in colonial times, and *Australians under Nippon* on Australian prisoners of the Japanese. His work revived public interest in these subjects and on Australians on the Kokoda Track and in Bomber Command over Europe. He wrote all his history about ordinary people.

Hank Nelson was a pivotal and inspiring innovator, the pioneer of PNG history, an early exponent of bringing university work into the public arena via film and radio, a model in applying the highest research standards to illuminate experiences of Australians and Papua New Guineans in peace and war. Few academics parallel his range, diversity and service, let alone to the people of two countries, Papua New Guinea and Australia. He leaves a wife, Jan, three children, Lauren, Tanya and Michael, and three grandchildren. We are all poorer for his passing.

**Hume Electorate: Floods**

*Mr SCHULTZ (Hume) (13:48):* At this very moment there are people in the southern part of New South Wales being subjected to quickly rising floodwaters as a result of the saturation of the ground that has occurred over the last two or three months. As of today the mayor of Goulburn has advised me that there are people isolated on their farms because of rising floodwaters and unable to get off their properties. There are significant problems associated with all of the towns and villages in the electorate of Hume, which covers some 36,500 square kilometres, being isolated or affected by rising floodwaters. I refer to the towns of Cowra, Cootamundra, Young, Crookwell, Taralga and Goulburn and many other small communities in between.

I raise this issue in the parliament today because, even though the State Emergency Service and police and other emergency services are well advanced in terms of trying to protect the community, I have to let the federal government know that there is an impending disaster coming down the line with 300 more millimetres of rain predicted to fall in the next three days. I seek the government's assurances that they will participate in the relief process that will eventually occur.

**Nurses**

*Mr BANDT (Melbourne) (13:49):* Right now nurses in my electorate of Melbourne and across the state of Victoria are being forced to lift work bans they have put in place at a number of hospitals. The decisions of Fair Work Australia and the Federal Court to order the lifting of the bans again highlights the disadvantage of state employees such as nurses, because they work in an essential service. Nurses, midwives and mental health nurses save lives and care for people. They do not put on work bans without good reason. Rather they are doing so because of the refusal of the state Baillieu government and hospital administrations to genuinely bargain about issues central to the safety and effectiveness of our health and hospital system. Those issues include
improved nurse-patient ratios in areas such as palliative care, emergency departments, residential aged care, rehabilitation and geriatric evaluation management units, the introduction of ratios in day surgery, dialysis, day oncology and stroke beds and minimum mental health nurse-patient profiles.

I currently have a bill before the parliament that seeks to redress this imbalance and enable public sector essential service workers to have all the issues in their bargaining resolved. It is critical that workers such as nurses who care for us and care for our kids and care for our parents are entitled to bargain about all matters in dispute, including nurse-patient ratios, which will ultimately result in a better standard of care for all of us. I hope the government and other members will support my bill, because we should respect the work that nurses, midwives and mental health nurses do.

**National Rugby League**

**Mr O'DOWD** (Flynn) (13:51): The communities of Central Queensland from Bundaberg to Mackay and west to the border are united in a bid for a National Rugby League team. This is the heartland of rugby league—just look at the players produced from this area, past, present and future. The crop of juniors coming through is excellent. Not only are the NRL 'fanatics' of the region keen to see Central Queensland represented in a national competition but business and community leaders are encouraging the bid to promote the Central Queensland region as an economic powerhouse, sustaining the most exciting and liveable region in Australia.

The bid brings together a focus and vision for the future and is proudly supported by business, community and sporting leaders. The bid team is working as one with a common vision, proudly representing provincial cities, regional towns and rural communities with one goal: a Central Queensland based NRL team. Backing is forthcoming from the top echelons of CQ industries and commerce, the rugby league community of Central Queensland and fans of the game. The CQ NRL bid is now a force in itself and it is becoming unstoppable. Support is being sourced from some of the largest corporate names in Australia. This has been made possible by the region's special status as the engine room of Queensland. Make no mistake—this is a no-risk venture for the NRL.

**Media**

**Mr MURPHY** (Reid) (13:52): Shortly, the findings of the Finkelstein media inquiry and the Convergence Review will be known to the public. These reviews have great relevance to our media ownership laws in Australia. I was very alarmed this week to see our largest media proprietor, Mr Rupert Murdoch, launching his *Sun on Sunday* newspaper in the UK. This paper replaces the *News of the World* newspaper which was the subject of the phone-hacking scandal in the UK. I remind this parliament that Mr Murdoch accepted no personal accountability for the shocking assault on the public interest in the UK, yet he is going ahead launching a new paper to replace his old paper whilst in the midst of further scandals—in fact, criminality—in relation to the provision of money to police officers in the UK.

Our government needs to have a very strict public interest test for media ownership in our country. I exhort the Minister for Broadband, Communications and the Digital Economy and the Prime Minister to ensure that there is a strict public interest test. Mr Murdoch has 70 per cent of the metropolitan and daily newspapers in Australia and extensive electronic media interests—great
influence over our democracy. (Time expired)

Petition: Private Health Insurance

Dr SOUTHCOTT (Boothby) (13:54): I rise to table a petition with 2,268 signatures from the people of Boothby calling on the government not to means test the private health insurance rebate.

The petition read as follows—

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

This petition of concerned Australian citizens draws to the attention of the House the Government's intention to means test the private health insurance rebate. Means testing the rebate will see many people cancel or reduce their level of cover and place further pressure on an already stressed public hospital system.

We therefore ask the house to defeat the Fairer Private Health Insurance Incentives Bill 2011 and maintain the strong levels of private health cover in Australia.

from 2,268 citizens

Petition received.

Dr SOUTHCOTT: The changes to the private health insurance rebate regrettably passed the House during the last sitting week. The coalition has said that when we win government we will reverse these changes as soon as we can. These changes represent yet another broken promise from this dishonest Labor government. Every one of the signatures on this petition is a call to the government to honour its election promise.

The petition has been submitted to and approved by the House of Representatives Standing Committee on Petitions. There are 96,728 people in Boothby covered by private health insurance. That is 72.3 per cent of everyone on the electoral roll. Some 63.3 per cent of voters in Boothby hold hospital treatment insurance and 71½ per cent hold general treatment insurance. The changes to the private health insurance rebate will have a bad impact on private hospitals, such as the Flinders Private Hospital in my electorate. It will put more pressure on public hospitals, such as the Flinders Medical Centre, and it will have an impact on all of those small businesses—dentists and other allied health professionals such as physios, speech therapists and podiatrists. So I table this petition with 2,268 signatures from the electorate of Boothby calling on the government to honour its election promise.

National Disability Insurance Scheme

Mr MITCHELL (McEwen) (13:55): I was pleased to join the Minister for Disability Reform, Jenny Macklin, to talk about the National Disability Insurance Scheme at the Macedon Ranges community health centre last Thursday.

Opposition members interjecting—

Mr MITCHELL: There are people over there laughing, but let me tell you a true story. This is a letter from a 13-year old girl:

My name is Emma Norton. I was born with a disability—

Opposition members interjecting—

Mr MITCHELL: You might laugh about it but you should be quiet—

I speak for all people with a disability. I believe we are people who have feelings and dreams. We all have the right to help and support in Australia. Thanks for listening to me.

The minister was able to meet with all local people with disabilities—

Opposition members interjecting—

Mr MITCHELL: Laughing about it just shows how terrible you lot really are. The minister was able to meet with many people with disabilities, their families and carers, and local service providers and advocacy groups to discuss the NDIS and the process so far. The Leader of the Opposition says that the NDIS is an aspiration and puts it on
the never-never timetable. This Labor government is getting on with the job of building an NDIS and it is time the Leader of the Opposition—

Opposition members interjecting—

Mr MITCHELL: and those heckling over there while we talk about disabilities got on board with the Gillard government. We are genuinely committed to an NDIS. The Leader of the Oppositions needs to decide whether he is going to support it or whether he is just going to sit there and say no.

Roberts-Smith, Corporate Benjamin, VC, MG

Mr ROBERT (Fadden) (13:57): I rise to speak on behalf of the coalition—and I think I speak on behalf of the nation—to condemn the comments made by the hosts of The Circle, George Negus and Yumi Stynes, against one of our greatest serving war heroes, Corporal Ben Roberts-Smith, who has been awarded a Victoria Cross and a Medal for Gallantry. The story of Corporal Roberts-Smith, VC, MG is truly the stuff of legend—self-sacrifice for love of brother soldier and love of nation—that millions of Australians pass on to their children as the finest example of service above self. For such service, for such an example, for such extraordinary feats of bravery and for the humility with which he has lived his life to be so denigrated by these two journalists is not only unacceptable; it is contemptible.

The irony is that the freedom of speech these journalists exercise is a freedom neither of them have fought for—but which both enjoy. Corporal Ben Roberts-Smith, VC, MG has fought and bled for such freedom, yet his military service means he is denied the opportunity to respond. This is a man whose hope is that his service and that of his regiment may lead to a national life free of the fear of being blown up as a result of simply walking onto a bus. Such a man is to be honoured and never denigrated. I therefore ask both the network and the journalists involved to apologise to this great Australian and his family for comments that demean a man who has spent his life serving our nation.

Environment

Dr LEIGH (Fraser) (13:58): Yesterday it was my pleasure to meet in this House with members of a Chinese-Australian Leadership Award Fellowship delegation—about 15 Chinese visitors, led by Jiao Xueli of the National Development and Reform Commission, coming to Australia to learn about our experiences of using market based mechanisms to deal with environmental challenges. As the Minister for Sustainability, Environment, Water, Population and Communities pointed out in a speech to the Sydney Institute last year:

Some commentators have suggested there is an irony in Labor being the party which is backing the market system—in dealing with environmental regulation. But, as the minister said, that view is dead wrong. The major market reforms in Australia's history have all been Labor reforms—banking deregulation, floating the dollar, competition policy and, in the area of agriculture, the abolition of the AWB monopoly and the reform of drought policy. So it is not surprising that, in the area of the environment, it is Labor which is using market based solutions as the most efficient and effective way of dealing with environmental challenges. That is true in pricing carbon rather than taking the approach of direct action. It is true in putting a price on water. Market based mechanisms have choice at their core and they ensure that we use the best available science and the best available economic research in order to
achieve the environmental targets we all aspire to. *(Time expired)*

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

QUESTIONS WITHOUT NOTICE

Renewable Energy

Mr ABBOTT (Warringah—Leader of the Opposition) (14:00): My question is to the Prime Minister. If the government cannot successfully run a solar hot water scheme, how can it be trusted to implement the world's biggest carbon tax?

Ms GILLARD (Lalor—Prime Minister) (14:00): I presume the Leader of the Opposition is referring to the closure of the solar hot water rebate scheme. This scheme was always due to close on 30 June this year. What has been announced by the government is that, to be eligible for the rebate before the scheme closes, systems must be installed and ordered (and a deposit paid) or purchased on or before 28 February 2012.

Mr Pyne interjecting—

The SPEAKER: The honourable member for Sturt will remain silent for the balance of the Prime Minister's answer.

Ms GILLARD: During the period of this rebate scheme, which was always due to close on 30 June this year, the hot water industry has benefited from over $320 million in support provided through rebates under the program. It supported 250,000 installations, that is 25,000 more than were promised when the Howard government announced this scheme, because it does stem from the days of the Howard government. When it was announced by the—

Mr Abbott: Mr Speaker, my point of order goes to relevance. The point of the question was if she cannot run this successfully, how can she be trusted to run a carbon tax?

Government members interjecting—

The SPEAKER: Order! Honourable members on my right will remain entirely silent for the duration of the period the Leader of the Opposition takes to make his point of order. The Leader of the Opposition has the call for his point of order and he will start again.

Mr Abbott: On direct relevance, my point is that the Prime Minister was asked very simply: if she cannot be trusted to do this successfully, how could she be trusted to run the world's biggest carbon tax?

The SPEAKER: I call the Prime Minister.

Ms GILLARD: I presume hidden in that mouthful of abuse there is actually a question about the management of the program, and I am going to the management of the program. On the management of the program, this program was first announced by the member for Wentworth in 2007. It was stated then that it would close in 2012. Even when the member for Wentworth announced it when he was Minister for the Environment and Water Resources, he was on the public record at that time as saying, 'Once you have a carbon price, you do not need specific policies to support solar hot water.' I think the member for Wentworth is recognising that statement.

After the closure of this scheme from 1 July, there will be a number of ways in which solar hot water purchases are supported. First and foremost, obviously under carbon pricing there is an incentive for change; second, under the renewable energy scheme, households installing the typical solar water system will still receive between $800 and $1,000 in renewable energy certificates; and then, of course, under the carbon pricing scheme through the Low
Carbon Communities Program there is assistance available, particularly to enable low-income communities to make the transition to carbon pricing—so of course consideration can be made to the use of solar energy for hot water in that context.

In answer to the Leader of the Opposition's question, the scheme was always due for closure on 30 June this year, an announcement made yesterday by the relevant parliamentary secretary about the time by which people would need to have effected their purchase in order to be eligible for the rebate.

Mr Schultz: They are not in the car industry, so the jobs don't matter.

The SPEAKER: Under the provisions of the standing order 94(a), the honourable member for Hume will leave the chamber for one hour.

The member for Hume then left the chamber.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:04): Mr Speaker, I have a supplementary question for the Prime Minister.

Honourable members interjecting—

The SPEAKER: Order! The House will return to silence so that the House and I, as the chair, can listen to the supplementary question.

Mr ABBOTT: How can the Prime Minister say that this scheme was always due to close on 30 June this year when this document from the Department of Climate Change and Energy Efficiency clearly shows that the scheme was funded into the next financial year to the tune of $24½ million? Caught out, Prime Minister—caught out yet again.

Ms GILLARD (Lalor—Prime Minister) (14:05): The scheme was always due to close on 30 June this year. Some provision was made in the forward estimates, I would assume, because, like other subsidy programs, some provision is made for claims that are affected after 30 June. As is now evident, the government has decided to manage claims in the lead-up to 30 June through the announcement that the Parliamentary Secretary for Climate Change and Energy Efficiency made yesterday.

On ongoing support for the solar hot water industry, it is an important industry and it is employing Australians, and so, of course, like all Australian jobs, they are very important to us. After 30 June, the solar hot water industry will be supported by the very fact there is a carbon price. It will be supported by the renewable energy certificate system. As I have indicated, it is also possible under the Low Carbon Communities Program for solar hot water to be one of the measures that is supported in order to make low-income communities better able to make the transition to a lower carbon future.

Paid Parental Leave

Ms O'NEILL (Robertson) (14:07): My question is to the Prime Minister. Will the Prime Minister update the House on how the government is delivering important reforms, like paid parental leave, to help families make ends meet? How are the paid parental leave scheme and the government's other major reforms helping build Australia's future?

Ms GILLARD (Lalor—Prime Minister) (14:07): I thank the member for Robertson for her question. I know she is very concerned about how families in her electorate are supported at every stage of their lives—whether it is through the time they have a new baby and need to be caring for the new infant at home, whether it is in the days that they need access to child care and need childcare support, whether it is in...
the days when kids are at school and they want support for the costs of getting kids to school, or whether it is in the days that those kids are teenagers and need the kind of support that families need with the cost of teenagers—and, of course, beyond, as people are caring for older relatives.

At every stage for Australian families we have been determined to make a difference—to provide a package of policies that support families. In that regard we have made a series of changes, but we are adding to those changes—for example, by increasing family payments for families with teenagers, boosting payments by up to $4,200 for each child. We have provided the education tax rebate, which supports families with the costs of getting kids to school, and we are extending that to school uniforms.

We are devoting more resources to child care than ever before. We have lifted the childcare rebate to 50 per cent of out-of-pocket costs, up to $7,500 a year, because of its importance to working families and its being such a considerable impost on their budgets when families need child care.

Amongst all of that we are particularly proud of the introduction of our paid parental leave scheme. We got that done over a year ago. Since then over 140,000 Australian families have applied for paid parental leave payments. It is incredibly important to them at that time when they are at home with a new infant. Our approach of getting this done, our approach of supporting working families at that stage of their lives, is in very stark contrast to the approach being taken by the opposition. I have seen described as 'friendless' in the Liberal party room the Leader of the Opposition's plan for the Ritchie Rich parental leave scheme.

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

The SPEAKER: Order! The Prime Minister will resume her seat, as will the Manager of Opposition Business. The Prime Minister will return to the substance of the question. The Prime Minister continues to have the call, and she will be directly relevant.

Ms GILLARD: Thank you very much, Mr Speaker. On the question of paid parental leave—such a benefit for working families—of course on this side of the parliament we have made sure it is properly funded under the government's budget. On the other side they want to fund it through a Coles and Woolies tax.

Carbon Pricing

Mr HUNT (Flinders) (14:10): My question is to the Prime Minister. I remind the Prime Minister of the comments by the head of Australia's largest power generator, Macquarie Generation, that electricity prices will climb higher and faster than the government claims, because of her carbon tax. With electricity prices set to rise at up to double the rate the government claims, how will the government's so-called compensation be adequate to offset this additional hit on families' costs of living?

Ms GILLARD (Lalor—Prime Minister) (14:11): On the member's question: (1) the government of course stands by the Treasury modelling on the effects on power prices; (2) in the design of our carbon price scheme—

Opposition members interjecting—

Ms GILLARD: Of course, whenever you mention a fact, the opposition cannot take it because their fear campaign just crashes into a hole. But these are the facts. Under the design of our carbon pricing scheme we are providing $5.5 billion through the Energy Security Fund to deal with the electricity industry. We have established the Energy Security Council to provide systemic advice on energy security
and possible measures to address any issues that may arise. We have also begun an expression of interest process to close around 2,000 megawatts of very highly-emissions-intensive coal fired electricity generation capacity—and that would have effect before 2020.

If you are serious about tackling climate change then it must be acknowledged that the energy sector, our electricity generation, is amongst the most emissions intensive in the world. That means we need a journey of transformation in that energy sector, so that we are able to generate energy but to generate less emissions. Putting a price on carbon is the most efficient way to do that. And, having put a price on carbon, we are in a position to provide assistance to families that need it most, including families—

Mr Morrison interjecting—

The SPEAKER: Order! The member for Cook will remain silent.

Ms GILLARD: with children, through family payments; taxpayers earning less than $80,000 a year—and, of course, pensioners will benefit too. And millions of households will receive more in their hands than they need to deal with the average impact of carbon pricing.

Mr Speaker, on the—

Mr Abbott: Mr Speaker, I rise on a point of order on direct relevance. Two minutes into the answer, we know what the government says, but what it says has been contradicted—and that is what the Prime Minister should be explaining in being directly relevant to the question.

The SPEAKER: The Leader of the Opposition will resume his seat. I will listen to the Leader of the House.

Mr Albanese: On the point of order, the Leader of the Opposition has today, with every answer of the Prime Minister, got up and made a statement and argument in the guise of a point of order. They are not points of order.

The SPEAKER: I give notice to all honourable members that I will continue to ensure that points of order are not abused, and if they are then the member abusing the standing orders will spend some time outside the chamber. I call the honourable the Prime Minister, who will be directly relevant in the few seconds available to her.

Ms GILLARD: Thank you very much, Mr Speaker. On the question of electricity prices, of course there was a time when the opposition was very honest about this to the Australian people—that time has passed. There was a time in August 2010, when the relevant spokesperson from the opposition very clearly said that power prices are set to double over the next five to seven years, irrespective of who is in government. And he talked about an investment drought in energy generation. The biggest problem that would face that sector in terms of making long-lived investments is uncertainty. Who is the architect of uncertainty in this debate? The Leader of the Opposition, with his very wacky plans to impose a $1,300 charge on families—

The SPEAKER: The Prime Minister will return to the substance of the question.

Ms GILLARD: and of course to throw the energy generation sector into complete confusion. Instead, the government have taken a very purposeful approach to making sure that we embrace a clean energy— (Time expired)

Employment

Mr DANBY (Melbourne Ports) (14:15): My question is to the Treasurer. Will the Treasurer outline to the House the importance of implementing the big reforms that support our economy and jobs?
Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:15): I thank the member for Melbourne Ports for his very important question because, from day one, we on this side of the House have made the jobs of working Australians our No. 1 priority, so much so that there are more Australians employed now than we have ever had in our history, and we have an unemployment rate of 5.1 per cent. That does not mean to say that there are not challenges elsewhere in the economy, but having an unemployment rate of 5.1 per cent after we have come through a really torrid global recession is a very substantial achievement, and it is one that everyone on this side of the House is very proud of. We know that, if those on the other side of the House had had their way, hundreds of thousands of Australians would have been thrown on the unemployment scrap heap and tens of thousands of small businesses would have closed. But we are getting on with the big reforms to ensure strong economic growth and more Australians getting the jobs of the future.

We are investing $3 billion in skills. As Senator Arbib said yesterday, one of the things we are most proud of is our record when it comes to apprenticeships. We are very proud of that record. Everyone on this side of the House knows what we did to keep young Australians in jobs and young Australians getting trained. We are also proud of our investment in infrastructure, building the NBN—and here there is a very clear contrast with those on the other side of the House—

Honourable members interjecting—

The SPEAKER: Order! The Treasurer will pause. Honourable members will remain entirely silent for the rest of the Deputy Prime Minister's answer.

Mr SWAN: They are determined to tear down the NBN and they have no plan to train the workforce of the future. We are introducing—

Mr Pyne: Mr Speaker, I raise a point of order. I listened carefully to the question, as I am sure you did, and the Treasurer was not asked at any point to comment on the opposition's policies. He is therefore not being directly relevant to the question.

The SPEAKER: The question related to reforms—big reforms—to support the economy and jobs. The Treasurer will focus on the question that he was asked.

Mr SWAN: Certainly, Mr Speaker. We are introducing a carbon price, absolutely essential to drive investment in renewable energy, to make sure that we are the first-class economy in the 21st century—opposed every step of the way by those opposite. What we are doing is trebling the tax-free threshold—

Mrs Bronwyn Bishop interjecting—

The SPEAKER: The honourable member for Mackellar will remove herself under the provisions of standing order 94(a). I instructed that the Treasurer was to be heard in silence.

The member for Mackellar then left the chamber.

Mr SWAN: We are very proud of our proposal to treble the income-tax-free threshold, a very substantial benefit for low-income Australians, something that will be ripped away by those opposite, along with the increases in pensions and family payments.

And we are determined to spread the benefits of the mining boom right around Australia: the tax cuts to 2.7 million small businesses, opposed by those opposite. We are determined to bring the budget back to surplus in 2012-13, something that those
opposite cannot do. They have walked away from their commitment to surplus because of a $70 billion crater in their own budget bottom line. That $70 billion crater means they cannot—

The SPEAKER: The Treasurer will return to the question before the House.

Mr SWAN: put forward alternative policies for the future.

The SPEAKER: The Treasurer will focus on the question he has been asked.

Mr SWAN: We have the reform policies for the future. Those on that side of the House have absolutely none.

Carbon Pricing

Mr HOCKEY (North Sydney) (14:19): My question is to the Minister for Resources and Energy. I remind the minister of his recent statement in relation to the carbon tax that there is 'a lot of concern in industry at the moment about the price we have locked in, given where Europe is at'.

Government members interjecting—

The SPEAKER: Order! Member for North Sydney, there has been too much interjection from my right. The member for North Sydney will recommence his question and the clock will restart.

Mr HOCKEY: Thank you, Mr Speaker. My question is to the Minister for Resources and Energy. I remind the minister of his recent statement in relation to the carbon tax that there is 'a lot of concern in industry at the moment about the price we have locked in, given where Europe is at'. Given that Australia's carbon tax will start at more than twice the level of the European carbon tax, will the minister confirm his own opinion that the carbon tax is too high?

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (14:20): I thank the honourable member for the question. In doing so, I acknowledge that there were two questions posed to me on Meet the Press last Sunday, one about the views of the member for Griffith, going to his proposed alternative approach to carbon pricing in Australia. I sought to explain the basis of his thinking. If I have misrepresented his view, I apologise. I was then asked a second question about the view of the government. I indicated that, from the government's point of view, the issue is resolved.

Industry requires certainty. In the context of my responsibilities to the electricity sector of Australia, it is of the utmost importance for the purposes of maintaining energy security in Australia, because we are at a point in our development at which the demand for energy has increased in Australia whilst we are also required to undertake a major transition aimed at reducing greenhouse gas emissions in Australia. In the context of achieving those dual objectives, we require certainty in industry for the purpose of facilitating new investment whilst at the same time using our clean energy strategy for the purpose of encouraging new investment in clean energy initiatives such as the potential to develop our gas industry for domestic purposes and, I might say, investment in renewables such as wind and solar. I thank the honourable member for the question.

Goods and Services Tax

Mr CROOK (O'Connor) (14:22): My question is to the Treasurer. I refer to the Commonwealth Grants Commission's recent report and I ask: does the Treasurer think that it is fair that WA will receive just 55 per cent of its per capita GST share, while no other state or territory receives less than 90 per cent? Why does the GST formula penalise WA to the tune of millions of dollars for its mining royalties and yet New
South Wales and Victoria's GST share is not
affected by their gaming machine revenue?

Mr SWAN (Lilley—Deputy Prime
Minister and Treasurer) (14:22): I thank
the member for his very important question. As
Treasurer and as a Queenslander, I can say
that I am a very strong supporter of what is
termed horizontal fiscal equalisation. What
do we mean by that? It is a very important
principle, whereby stronger states and wealthier states throughout the life of the
federation have supported weaker states.
Queensland and Western Australia have been
very significant beneficiaries of horizontal
fiscal equalisation over the whole of our
history. Indeed, you would not have the
modern Western Australia or the modern
Queensland of today if it had not been for all
the financial support that has been provided
by New South Wales and Victoria to those
two states over a very long period of time. I
am a strong supporter of this, because there
are other states in our federation that are
somewhat weaker when it comes to their
capacity to raise revenue and their capacity
to deliver services to their citizens. That is
why we need to continue to support the
independent Grants Commission, as we have
done for dozens of years—20, 30, 40 or 50
years. We have continued to support that
principle of the independent decision and
distribution of moneys by the Grants
Commission.

There has been a decision recently by the
Grants Commission which does take down
the per capita amount that goes to Western
Australia, and it certainly has made additions
to other states. For example, in this decision
Queensland does a lot better, because of the
huge impact of the floods in Queensland. I
do not think anybody would deny the
importance of that decision. But there is a
principle that the member refers to, and that
is why the Prime Minister has appointed a
committee to look into the issues raised by
the member, within the context of continuing
to have horizontal fiscal equalisation.

I would just make this point. We await the
outcome of that committee and we will study
its report, but we know that, when you throw
in all of the other financial assistance that
states get apart from the GST, if you throw
in the infrastructure funding and lots of other
grants, the figure for Western Australia, even
now, is 88c in the dollar, so there is still
considerable assistance going to Western
Australia. What I have to do is look after the
national interest. That is what a national
government has to do. We have appointed
this committee to come down with their
assessment of the proposals put by the
member for O'Connor and the Western
Australian Premier, but at the end of the day
we will do what is right for all Australians.

Parenting Payments

Ms BURKE (Chisholm—Deputy
Speaker) (14:25): My question is to the
Minister for Families, Community Services
and Indigenous Affairs. Will the minister
update the House on how
the government is
supporting families with a new baby? What
are the risks to this support today and in the
future?

Ms MACKLIN (Jagajaga—Minister for
Families, Community Services and
Indigenous Affairs and Minister for
Disability Reform) (14:25): I thank the
member for Chisholm very much for her
question and for her support, especially for
paid parental leave. She understands, like
everybody on this side of the House, why it
is so important to give parents that extra
support through paid parental leave when a
new baby comes into the home. This
government is all about getting things done,
especially getting things done to support
families. That is why we have delivered paid
parental leave. I can inform the House that,
from today, more than 140,000 families
around Australia are benefiting from paid parental leave. We said we would deliver paid parental leave, and we have. We said we would deliver paid parental leave without an extra tax on business, and we have.

I am asked by the member for Chisholm what the biggest risks to paid parental leave in this country are. The biggest risk to paid parental leave is sitting right there. The Leader of the Opposition famously said when he was in government that paid parental leave would happen over his dead body. But now we know this Leader of the Opposition wants to introduce what has been called by his own side a 'Rolls-Royce system' of paid parental leave. This Leader of the Opposition not only will not deliver paid parental leave; he cannot deliver it, because he has got a $70 billion black hole, and his paid parental leave costs $4.5 billion a year, which he is going to pay for with a new tax on business. He wants to turn his back and look the other way, because he knows—

Mr Hockey: He's looking straight at you!

Ms MACKLIN: He is now. He is certainly looking at me right now, because he knows that that extra tax is going to mean—

Opposition members interjecting—

The SPEAKER: Order! The minister will pause. The minister will be heard in silence for the balance of her 53 seconds.

Ms MACKLIN: It is not only the people of Australia that know that this Leader of the Opposition cannot afford his $4½ billion scheme; he has now got the member for McMillan and his own senators telling him that he cannot afford his Rolls-Royce paid parental leave scheme.

Ms BURKE (Chisholm—Deputy Speaker) (14:28): Mr Speaker, I ask a supplementary question. Minister, you have talked about how the Paid Parental Leave scheme has delivered for families around the nation. What has been the response to this from the community?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:28): I thank the member for Chisholm for her supplementary question. This policy of the government is helping families. We have had a lot of feedback from the community—and I know the member for Chisholm has as well—because more than 80,000 Australian families have already received their paid parental leave, so they have been writing to the Prime Minister and to me to indicate exactly how this has helped them. I will quote from one mother who wrote to the Prime Minister. She said: 'I wanted to express my deepest thanks for paid parental leave. If I had not received it, I would already be back at work by now and would have missed so much of my baby daughter's development.' Another one said, 'I thank you for the PPL scheme,' the Paid Parental Leave scheme. She talked about her baby spending her first year full time with her adoring mum and how this has really helped her develop. These are the stories we are getting. We are also hearing from those opposite and of course the friend of the Leader of the Opposition Peter Reith, who has told him his scheme does not make even the slightest bit of sense. The Leader of the Opposition has no support for his paid parental leave scheme because it is going to break the bank.

The SPEAKER: The minister is straying from the supplementary question.

Senate Vacancy

Mr ABBOTT (Warringah—Leader of the Opposition) (14:30): My question is to the Prime Minister. Can the Prime Minister confirm that Bob Carr was approached by
her, or on her behalf, to fill the vacant Senate position for New South Wales and to become the foreign minister of Australia?

Mr Albanese: Mr Speaker, on a point of order: the question is out of order because it does not go to the duties of the Prime Minister. It is about a casual vacancy in the Senate.

Opposition members interjecting—

The SPEAKER: The Manager of Opposition Business does not have the call. I ask the Leader of the House to repeat his point of order because he was drowned out.

Mr Albanese: The question goes to the filling of a Senate vacancy due to the resignation of Senator Arbib.

The SPEAKER: I would have ruled the question out of order but for the reference to the appointment of a foreign minister.

Ms Gillard (Lalor—Prime Minister) (14:31): I have seen lots of speculation in today's newspapers and in other places about this matter and about the reshuffle in general. As I have said publicly beyond the chamber of this parliament, let me also say within the chamber in this parliament: I am not going to be speculating on the reshuffle. I will announce it and then everybody can see it and judge it as they see fit.

On the question of the speculation and how I will deal with the reshuffle, let me say very clearly that I will be dealing with the reshuffle because I want the best possible team to continue the government's policies and plans and the one thing in this parliament we never get a question about is visions for the future and how you go about realising them. The team I select will be a team capable of doing that. I know the Leader of the Opposition has an unhealthy kind of obsession with the so-called faceless men in the Labor Party. What he really should be obsessed about is the useless men sitting behind him.

Honourable members interjecting—

The SPEAKER: I remind honourable members that clapping is disorderly.

Mr Abbott (Warringah—Leader of the Opposition) (14:33): Mr Speaker, I have a supplementary question to the Prime Minister. Now that Mr Carr has confirmed that he was offered the foreign ministership of Australia, would the Prime Minister please confirm that an approach was made to him regarding the foreign ministry by her or on her behalf?

Ms Gillard (Lalor—Prime Minister) (14:34): To the Leader of the Opposition I say: do not believe everything you read.

Economy

Ms Hall (Shortland—Government Whip) (14:34): My question is to the Minister for Employment and Workplace Relations and Minister for Financial Services and Superannuation. How has the government been proactive in delivering positive policies to strengthen the Australian economy and support working people? What risks are there to this positive reform agenda?

Mr Shorten (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:35): I thank the member for Shortland for her question. She knows this is a positive and proactive government because 40,300 of her constituents are going to get an increase in superannuation from nine per cent to 12 per cent. That is positive and proactive. This government is positive and proactive about Australians and Australia's future. On this side of the House, we know we can afford to be positive and proactive. There are at least three reasons why we are being positive and
proactive: (1) we are positive and proactive about Australia's workplaces, (2) we are positive and proactive about Australia's retirement policies and (3) we are positive and proactive about our financial management.

Let me turn to the first of the reasons why we are being positive and proactive about Australia's workplaces—5.1 per cent unemployment, 320,000 apprentices and trainees coming online, a 29 per cent corporate tax, 150,000 community workers getting a long overdue pay rise, an $18,000 tax-free threshold from 1 July and safe rates on our roads.

Mr Hockey interjecting—

The SPEAKER: The honourable member for North Sydney will remain silent for the balance of the minister's answer.

Mr SHORTEN: We should be so lucky. When we look at the negative, though, the threats to this in Better Workplaces, the opposition have got an industrial relations program and a witness protection policy—an industrial relations policy and witness protection.

Opposition members interjecting—

Mr SHORTEN: They are certainly against giving 150,000 community workers a pay rise. They do not support a corporate tax rate of 29 per cent.

Honourable members interjecting—

The SPEAKER: I ask the minister to pause. I request that the House be entirely silent for the balance of the minister's answer.

Mr SHORTEN: So they certainly do not have a view about Australian workplaces. A second way we are doing it is through better retirement policies. We are the only party who want to increase superannuation from nine to 12 per cent. We certainly want to spread the prosperity of the mining boom so that all Australians do not retire poor. Yet, we have got an opposition who will not support abolishing the tax on superannuation for low-income people on $37,000. They will not support increasing superannuation from nine to 12 per cent. But the biggest reason we are a proactive and positive government is that we are moving to surplus. We are engaging in the fastest fiscal consolidation. Those opposite cannot afford to be positive. They have 70 billion reasons why they cannot be positive. The member for Moncrieff let the cat out of the bag. He said last night on *Sky News*:

I don't think I'm letting the cat out of the bag when I say people feel that we are not being proactive enough in terms of outlining the policies that we would bring into government.

Mr Ciobo interjecting—

Mr SHORTEN: The problem for the member for Moncrieff is that he cannot be optimistic—

The SPEAKER: The honourable member for Moncrieff will remove himself from the chamber under the provisions of standing order 94(a). For the record, I requested that all honourable members be silent for the balance of the minister's answer.

The member for Moncrieff then left the chamber.

Mr SHORTEN: To put it simply, those opposite cannot flick the switch from negative to positive because the switch that they would have to use costs $70 billion.

(Time expired)

**DISTINGUISHED VISITORS**

The SPEAKER (14.39): On behalf of all honourable members I welcome to the gallery His Excellency, the Deputy Prime Minister of the Lao People's Democratic Republic. Sir, you are very welcome in our
parliament and I hope you enjoy your visit to our country.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Minister for Foreign Affairs

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:39): My question is to the Prime Minister. I remind the Prime Minister of her statement that, 'It is my intention as Prime Minister to lead a government that draws on the best efforts of my cabinet and ministerial colleagues.' Given that Bob Carr has confirmed he was approached to be foreign minister, will the Prime Minister inform the House why she believes Bob Carr would make a better foreign minister than any of her colleagues?

Ms GILLARD (Lalor—Prime Minister) (14:40): In answer to the Deputy Leader of the Opposition's question, let me restate: do not believe everything you read. And let me promise the following: whoever I select will not break into a sweat wiping the floor with her.

DISTINGUISHED VISITORS

The SPEAKER (14:41): I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the former Yugoslav Republic of Macedonia led by the President of the Assembly, His Excellency, Mr Trajko Veljanoski. I am not as good as my predecessor in pronouncing names. On behalf of the House, I extend a very warm welcome to our visitors. We hope that you enjoy your visit to our nation.

While I am at it, I would also like to recognise Mr Bob Merriman in the gallery, a former chairman of Cricket Australia.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr PERRETT (Moreton) (14:41): My question is to the Minister for Climate Change and Energy Efficiency and Minister for Industry and Innovation. Will the minister update the House on the clean energy future package? How will the package assist families and households, and are there any threats to this?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:42): I thank the member for Moreton for his question because the government is getting on with implementing very important reforms, including our clean energy future package. Let's go back to the basics with this. The science is clearly telling us that we need to cut greenhouse gas emissions. Other countries are moving to cut their greenhouse gas emissions. It has been agreed internationally that a new treaty will come into place from 2020 to reduce greenhouse gas emissions, and this country must be part of that effort. In the meantime, 90 countries have pledged to reduce their greenhouse gas emissions.

This government is getting on with an environmental and economic reform that this country needs to make. As our package is introduced, working families, and pensioners in particular, will be looked after. The household assistance package will mean a number of things. In particular, it will mean that nine out of 10 households will receive tax cuts or increased payments, or both. Age pensions will increase by $338 a year for a single pensioner and $510 a year for a pensioner couple. There will be advance payments for pensioners and many others. A single pensioner, for example, will receive $250 in an up-front payment in May-June of this year. Many self-funded retirees will
receive assistance equal to the extra payments that the government will provide to other pensioners, part-pensioners and carers. Over four million households will receive 20 per cent more than the expected price impact flowing from the introduction of a carbon price on their household type. The tax cuts will be delivered by a trebling of the tax-free threshold, in itself a very important reform and one that will assist many small business people who are not incorporated. The change to the tax-free threshold will also free up to one million people from having to lodge a tax return. That in itself is a huge reform of the taxation system.

With other wider government measures, small businesses will be supported by a cut in the company tax rate to 29 per cent, by the instant asset write-off of up to $6,500 per asset that is acquired, and by many other measures that will support businesses and households achieve changes under the clean energy package. This government is getting on with important reform, tackling climate change and supporting households at the same time. This is Labor. We do the tough economic and environmental reforms and at the same time we look after social equity. The opposition do not.

**Gillard Government**

**Ms JULIE BISHOP** (Curtin—Deputy Leader of the Opposition) (14:45): My question is to the Prime Minister. I remind the Prime Minister of the statement of the Minister for Resources and Energy, who said:

[The faceless men are] at work today and they'll be at work in the future because they just cannot help themselves.

Doesn't the veto of her choice of Bob Carr as foreign minister by the faceless men of the caucus simply prove that the resources minister is right?

**Ms GILLARD** (Lalor—Prime Minister) (14:46): To the Deputy Leader of the Opposition let me say, as I said to the earlier questions, 'Don't believe everything you read.' Since then I have been corrected by my colleagues: I should have said that there should be more focus by the opposition on the useless men and women over there.

**MOTIONS**

**Gillard Government**

**Mr ABBOTT** (Warringah—Leader of the Opposition) (14:46): I move:

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

That this House calls on the Prime Minister to explain the circumstances surrounding the offer of the foreign ministership to Bob Carr and its subsequent withdrawal at the insistence of the faceless men. Further, to explain all the issues of loss of trust now besetting her government.

In trying and failing to have Bob Carr made the next foreign minister of Australia, the Prime Minister has been bullied, beaten and leaked against by the faceless men who are running the Labor Party and controlling this government. Nothing has changed. That is why standing orders must be suspended. In dealing with this issue in the parliament today, the Prime Minister looked like a lawyer with a bad brief: shifty, evasive and dishonest. That is why standing orders must be suspended: so that she can come into this House and, just for once, be straight with this parliament and the people of Australia.

It is very clear what happened. On Monday afternoon, the General Secretary of the New South Wales Labor Party, Sam Dastyari, put it to the Prime Minister that Bob Carr should be the next Labor senator from New South Wales. On Monday evening, the Prime Minister called Bob Carr several times to offer him the foreign
ministership of Australia. If this is not right, let the Prime Minister come in and explain it. That is why standing orders must be suspended. The former Premier accepted and he booked his flight to Canberra. If nothing had happened, why would the former Premier of New South Wales book his flight to Canberra? On Tuesday morning, senior cabinet ministers told the Prime Minister that this just wasn't on. But they did not just tell the Prime Minister, they leaked to the *Sydney Morning Herald*. Then, having bullied and leaked, they successfully intimidated the Prime Minister into withdrawing the offer. The final act in this sorry story: Sam Dastyari called Bob Carr to say that the Senate spot would go to someone else after all.

The SPEAKER: The Leader of the Opposition will return to the substance of the motion.

Mr ABBOTT: This is why standing orders must be suspended—so that if there is a different story it can be put to the House. What we had at the end was a distinguished former Premier of New South Wales left humiliated and desolate. Yet again, the Sussex Street death squads were dealing with a distinguished member of the Labor Party. That is why standing orders must be suspended.

Yesterday—so much has happened in just 24 hours—the minister for regional services, an auditioner for the Prime Minister's job, said this:

The Prime Minister is showing a new assertiveness.

Get that, Mr Speaker!

That will be demonstrated in the way in which she constructs the cabinet. The healing process has begun.

That is why standing orders must be suspended.

So much for assertiveness. The Prime Minister was rolled by the defence minister. It is like being beaten up by Clark Kent! She was rolled by the would-be foreign minister, currently the defence minister. As for constructing the cabinet, yet again she is being dictated to by the faceless men. And as for healing, she was being leaked against within 24 hours of winning a caucus vote. If what I am saying is not right she should come in and correct the record. That is why standing orders should be suspended.

What does all this say about the government? We know that only two-thirds of the caucus have confidence in the Prime Minister. What we now know is that the Prime Minister preferred an outsider to anyone else in her caucus to be the foreign minister. We know—and this is why standing orders must be suspended—that the former foreign minister said that the Prime Minister was responsible for a stuff-up a fortnight. I have news for you, Mr Speaker: she has lifted her productivity. Not 24 hours went by without another stuff-up—the offer of the foreign ministership of Australia to someone who was not even in the caucus.

We know that the faceless men are well and truly in charge. Now we have confirmation that they are more in charge than ever. Not only the faceless men, but in Sam Dastyari we have also got the faceless boy, Mr Speaker. Faceless men and faceless boys are running the government and that is why standing orders must be suspended. At the heart of all of this is the simple fact, revealed by the former Minister for Foreign Affairs again and again last week, that you just cannot trust this Prime Minister. The Australian people have completely lost trust in this Prime Minister. This is why standing orders must be suspended—so that she can come into this chamber, explain exactly what happened and finally tell the truth.
This week the Prime Minister came into the public arena and said she was impatient. She was busting—she was so impatient to take charge, but within 24 hours the faceless men were rampant, running her government to the extent that she could not even choose her own foreign minister. This week she came into the public arena and said, ‘Oh, the member for Griffith is such an honoured member of my Labor Party; he was such a great Prime Minister,’ when last week she had said he was a prima donna who had paralysed his own government and sabotaged hers. What does this Prime Minister think of us? Does she think we have the memories of goldfish? She should come into this House and explain herself. That is why standing orders must be suspended.

So often has this Prime Minister totally failed the test of trust: the member for Griffith could not trust her over the prime ministership, the Australian people could not trust her over the carbon tax, the member for Denison could not trust her over poker machine reform, and the Australian Federal Police could not trust her or her staff not to provoke a riot on Australia Day. The members of the Health Services Union cannot trust this government to ensure there is a decent investigation into the member for Dobell. This is a Prime Minister who time and time again has betrayed the trust of the Australian people. That is why standing orders must be suspended.

Members opposite must be tiring of the fact that this Prime Minister will not even face the parliament. She scurries out of the chamber. She seeks refuge in the whip's office, rather than sit in this chamber and honestly face up to the questions about her integrity. What does it say about the modern Labor Party, what does it say about this Prime Minister, that one-third of the caucus preferred a psychopath, as he was described, to her? What does it say about the Australian Labor Party that its leadership choice this week was between a prima donna and a backstabber? That is why standing orders must be suspended.

The tragedy for the Labor Party is that the party of Curtin and Chifley has degenerated to the point where it is now the party of Rudd and Gillard. Is it any wonder that Labor voters are deserting it for the Greens? The sad truth about the Labor Party is that the only god they know is power. The faceless men giveth and the faceless men taketh away—blessed be the faceless men. That is the tragic truth about the modern Labor Party. That is why standing orders should be suspended. That is why this Prime Minister should finally come into this parliament and explain herself, rather than taking the coward's course and leaving it to the Leader of the House. Shame on you, Prime Minister! (Time expired)

The SPEAKER: Is the motion seconded?

Mr PYNE (Sturt—Manager of Opposition Business) (14:57): I second the motion, Mr Speaker. Standing orders should be suspended and this motion should be given precedence over all government business because we have had fake Julia, we have had real Julia, we have had new Julia, we have had nasty Julia, but we are yet to see tell-the-truth Julia. This motion would give the Prime Minister the opportunity to come into the House and tell the truth for a change about the circumstances that surrounded the attempt to get Bob Carr into the foreign ministry, which was foiled by the faceless men of the Labor caucus.

The SPEAKER: I heard the Manager of Opposition Business say that the Prime Minister should come in and tell the truth for a change. The manager will withdraw the accusation that the Prime Minister tells untruths.
Mr PYNE: I withdraw that statement, Mr Speaker. Standing orders should be suspended and this motion given precedence because the Prime Minister is looking increasingly like Bernie Lomax from Weekend at Bernie's. The faceless men know she is politically dead, but they manipulate her and keep her from behind the scenes because it suits their ends to do so and for no other reason. These are the faceless men: Senator Don Farrell, Senator Feeney, Senator Arbib and Senator Conroy, the members for Port Adelaide and Maribyrnong and Oxley. Most of them are utterly unheard of, yet they wield more power than the Prime Minister and the cabinet when they decide who should be the Minister for Foreign Affairs and the circumstances in which they should be appointed. The faceless men of the Labor caucus need power and influence. They crave it—it is like a drug to the faceless men of the Labor Party. Without it, they cannot keep their lieutenants in line. Without it, they cannot give crumbs to the elves and sprites who rely on their power and influence for their own self-esteem and power and influence. The reason standing orders must be suspended and this motion given precedence is that it is time for the Prime Minister to own up to the real circumstances that surrounded the offer that was made to Bob Carr to be the Minister for Foreign Affairs of Australia over every single member of the Labor caucus. They are not just faceless men in the Labor Party but so useless that not one of them could take the role of foreign minister. They are so useless that not one of them could be Speaker of the House of Representatives. They are so useless that Bob Carr was preferred over every member of the Labor caucus. How does it make you feel? How does it make you feel that the Prime Minister would go to an outsider to take one of the most important roles in the Commonwealth rather than take any of her apparently valueless colleagues?

There is no better example of what has happened in this government and the Labor Party in the last several years than in three incidents that continue to haunt this government. The first is the midnight coup by the faceless men that removed the member for Griffith in 2010. The second, which we are still dealing with today, is the protection racket that surrounds the member for Dobell. The faceless man cannot allow the member for Dobell to leave the parliament because as soon as Labor loses office in Canberra the faceless men will lose their power around the country. Sussex Street came to Canberra when the New South Wales Labor government fell and they decided to move their power base down to Canberra. The faceless men are running this government. The Sussex Street death squads operated on the night of 23 June 2010. They operate to protect the member for Dobell in the protection racket that emanates out of this government and the Prime Minister's office.

And we have seen this week the third example, where the faceless men were not prepared to have Bob Carr as foreign minister. The faceless men said, ‘No, we want that job for ourselves.’ So in 24 hours this newly assertive Prime Minister asked for one thing. She wanted to get to choose her executive. She wanted to get to choose her foreign minister. She apparently wanted to get somebody respectable into the role of a cabinet minister in this government. But, no, the faceless men would not let her. They said, ‘That job is for one of our favourite people. That job is for the current Minister for Defence.’ That is why standing orders must be suspended—because it is time for the Prime Minister to own up to the Australian people about just who is running this government. Is it the Prime Minister or
is she Bernie Lomax? Are Don Farrell, Senator Feeney and all the others the real power behind the throne? *(Time expired)*

**Mr ALBANESE** (Grayndler—Leader of the House and Minister for Infrastructure and Transport) *(15:02)*: I rise to speak on the 43rd suspension motion being moved by those opposite. Every day they come in here and they move a suspension of standing orders. Is it about policy? Is it about an alternative vision for the nation? No. It is always about muckraking and getting down in the gutter. It is always about their frustration with the fact that they did not win the last election and that they remain in opposition. We should not indulge the opposition by supporting the suspension of standing orders in order to have further indulgence from them.

What we have scheduled for this afternoon is a debate on a matter of public importance. It is an important debate. It is from the member for Robertson and it is about paid parental leave. I am not surprised that those opposite do not want to discuss paid parental leave because they had a debate on paid parental leave in their party room yesterday and it got to be a pretty hot old party room. The member for Indi said this yesterday to Senator Heffernan, 'Pop your Alzheimer's pills.' But there was also a bit of policy debate. Senator Heffernan gave a character reference for some of his colleagues with a word that would certainly be unparliamentary to use in this chamber. What is more, Russell Broadbent, the member for McMillan, got up and said that the opposition leader's paid parental leave scheme, partly funded by a tax on business, was the wrong priority and that the opposition should be looking at things like disability services—what this government is doing on the National Disability Insurance Scheme. He was backed up by Queensland Senator Sue Boyce. She agreed, describing the Leader of the Opposition's proposal as 'a Rolls-Royce scheme when all we need is a Holden scheme'. They understand that we on this side of the House have put in place a paid parental leave scheme. It is in place. It is operating. It is effective. The minister was speaking about that earlier today in question time, before question time was so rudely interrupted.

**Mr Matheson**: Mr Speaker, I rise on a point of order on relevance to the motion moved by the Leader of the Opposition in relation to the appointment of a foreign minister.

**The SPEAKER**: The Leader of the House knowsthat he should be addressing why, in his view, standing and sessional orders ought not be suspended.

**Mr ALBANESE**: We know that Sue Boyce was one of the courageous people who voted for the CPRS in December 2009. Why? It was because she knew that those opposite negotiated in good faith with the government to put a price on carbon and they all agreed on that. They all went out there and advocated it, including the Leader of the Opposition.

**The SPEAKER**: The Leader of the House will return to the motion.

**Mr ALBANESE**: We could debate these issues if we did not suspend standing orders this afternoon. During the debate on this motion I was somewhat stunned that the Queensland members over there sat there quietly and listened to the outrageous suggestion that maybe Bob Carr might be selected for something because he is outside the parliament. I was sitting there thinking to myself two words: Campbell Newman. They are out there campaigning in Queensland for a bloke who is not even in the parliament to be the Premier of Queensland. That is what they are doing. And yet they come in here and say, 'Isn't it terrible that someone might
be considered from outside the parliament.'
We know that the Leader of the Opposition
also wants to have a debate about truth. We
had that debate and that is why he wants to
suspend standing orders. This is a guy who
said in a written speech to the Sydney
Institute on 5 June 2007—

The Speaker: The Leader of the
House will stop for a minute. Honourable
members will hear the leader in silence for
the rest of his contribution.

Mr ALBANESE: He said, 'One man's lie
is another man's judgment call.' That is what
the Leader of the Opposition said. We know
that he went on the 7.30 Report and said,
'Don't believe anything I say unless it's in
writing'. If it is not in writing it does not
matter. We know that he said in the Sydney
Morning Herald, 'There are some things the
public has no particular right to know.' We
know that he made statements like,
'Misleading the ABC is not quite the same as
misleading the parliament as a political
crime.' He is on the record time after time,
yet he comes in here and moves a suspension
of standing orders in order to indulge himself
for the sole purpose of sitting on the
government benches for just a few minutes
during the division that is about to come. Just
for a few minutes they can sit over here and
fantasise that somehow after the August
2010 election they did not completely blow
the negotiations with the crossbenchers and
that since then they actually have had a
positive thing to say about something.

You would think they would come in here
and move a suspension of standing orders to
talk about the economy, to talk about jobs, to
talk about the environment, to talk about
social policy or even to debate the Paid
Parental Leave scheme. But what we see
from those opposite is relentless negativity.
That is what they say. They want to avoid a
debate on paid parental leave, which is the
next item of business to be dealt with,
because the Leader of the Opposition, as he
told the caucus room yesterday, is welded to
the $2.7 billion a year scheme. He has no
idea how it is going to be funded properly; it
just adds to the $70 billion black hole, but he
is welded to it. He might be welded to it, but
it is rusting out there in the sun. If you
cannot find a way to pay for your policies it
is no wonder that you cannot come up with
anyone. That is why the member for
Moncrieff said on Sky last night that he
believed the coalition needed to move the
political debate towards policy based issues.
He said:
I don't think I'm letting the cat out of the bag
when I say people feel that we are not being
proactive enough in terms of outlining the
policies that we would bring into government …
Fortunately, the member for Moncrieff is not
in this place at the moment, because he
would be devastated by the fact that a
suspension of standing orders has been
brought on yet again—another negative
statement.

We know that when the Leader of the
Opposition was elected, he paraphrased
Barry Goldwater, who said, 'I will offer a
choice, not an echo,' when he ran for the
Republican nomination in 1964. The Leader
of the Opposition said, 'The job of the
opposition is to be an alternative, not an
echo; to provide a choice, not a copy.' We
know that he paraphrased a little bit. He has
modelled himself on Barry Goldwater in a
number of ways. Barry Goldwater also said,
'My aim is not to pass laws, but to repeal
them. It is not to inaugurate new programs,
but to cancel old ones.' That is what Barry
Goldwater had to say. It reflects everything
that is said about this Leader of the
Opposition who has modelled himself on
Barry Goldwater completely. That is why the
Democrats slogan of 'In your guts, you know
he's nuts,' is so appropriate for this Leader of the Opposition.

The SPEAKER:  The Leader of the House will return to the motion before the chair.

Mr ALBANESE:  It is so appropriate, because throughout it he has been negative. The opposition made one good call today, which was not to have the shadow minister for foreign affairs participate in this debate. The Leader of the Opposition, at a function he went to for Josh Frydenberg, said about the member for Kooyong: 'I've got to say it is nice to have someone in the parliamentary party who understands foreign affairs at last.'

The SPEAKER:  The Leader of the House knows he is straying.

Mr ALBANESE:  What we know is that whoever the Prime Minister chooses as the Minister for Foreign Affairs will be much, much better and will be in a different league. You could pick someone out of a hat, you could do it at random, you could do it in the caucus or outside the caucus or on the street, even the next person to buy a coffee at Aussies would be more effective than this shadow minister for foreign affairs, who has no interest in policy. (Time expired)

The SPEAKER:  The question before the chair is that the motion for suspension of standing and sessional orders be agreed to.

[The House divided. [15:17]

The Speaker—Hon. Peter Slipper

Ayes ......................69
Noes ......................74
Majority ...............5

AYES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, JI
Broadbent, RE
Chester, D
Cobb, JK
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, S
Neville, PC (teller)
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

NOES

Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM

CHAMBER
The Speaker (15:24): I have received advice from the Chief Opposition Whip nominating a member to be a supplementary member of the Standing Committee on Social Policy and Legal Affairs for the purpose of the committee’s inquiry into the Aviation Transport Security Amendment (Screening) Bill 2012.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:24): by leave—I move:

That Mr Chester be appointed a supplementary member of the Standing Committee on Social Policy and Legal Affairs for the purpose of the committee’s inquiry into the Aviation Transport Security Amendment (Screening) Bill 2012.

Question agreed to.

BILLS

Financial Framework Legislation Amendment Bill (No. 1) 2012

Reference to Federation Chamber

Mr FITZGIBBON (Hunter—Chief Government Whip) (15:25): by leave—I move:

That the Financial Framework Legislation Amendment Bill (No. 1) 2012 be referred to the Federation Chamber for further consideration.

Question agreed to.

COMMITTEES

Social Policy and Legal Affairs Committee

Membership

The Speaker (15:24): I have received advice from the Chief Opposition Whip nominating a member to be a supplementary member of the Standing Committee on Social Policy and Legal Affairs for the purpose of the committee’s inquiry into the Aviation Transport Security Amendment (Screening) Bill 2012.

Ms Gillard: Mr Speaker, I ask that further questions be placed on the Notice Paper.

The Speaker (15:24): While the vote is being tallied, I have noticed that the honourable member for Mackellar entered the chamber before her one-hour suspension was up. I notice that the honourable member is actually sitting in the advisers box, which is not technically part of the chamber. However, it was inappropriate for the honourable member to enter the chamber before her one-hour suspension was up. On this occasion I do not intend to take any further action against the honourable member for Mackellar, but were there to be a repetition on the part of any honourable member, that honourable member will be named.

Ms Gillard: Mr Speaker, I ask that further questions be placed on the Notice Paper.

PAIRS

Coulton, M Rowland, MA

Question negatived.

In division—
MATTERS OF PUBLIC IMPORTANCE

Paid Parental Leave

The SPEAKER (15:26): I have received letters from the honourable member for Robertson, the honourable member for Chifley and the honourable member for Flinders proposing that definite matters of public importance be submitted to the House for discussion today. As required by standing order 46(d), I have selected the matter which, in my opinion, is the most urgent and important; that is, that proposed by the honourable member for Robertson, namely:

The urgent need to assure working families of the continued delivery of Paid Parental Leave and other major reforms.

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

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

Ms O’NEILL (Robertson) (15:27): I am delighted to have the opportunity to address this very urgent matter. We do understand the urgency of these MPI debates, and nothing could be more urgent at this time given what has become known to the Australian public in the last 24 hours about the state of disarray in the coalition on this issue of vital importance to all Australian families. Paid parental leave is something women like me—I have a 20-, an 18- and a 15-year-old—could only once dream about having. I always knew that such a policy would only ever be delivered by Labor, and it is Labor which has, in fact, delivered that policy. We have got it done.

In contrast, on the other side there has been a rapid-fire discussion over the last 24 hours. At a party meeting convened in this very place, the member for McMillan made it very clear to his own party that not only should they rethink their proposed paid parental leave program; they should actually ditch it. They are starting to figure out that, because they have this massive $70 billion hole, they might have to throw overboard a few services which are vital to the Australian people. The member for McMillan is on the record in the Australian today saying that we should not have a paid parental leave scheme. But he is not the only one in the Liberal Party who has some concerns. For those opposite, this whole paid parental leave scheme issue is just an aspiration. It has been discussed ad nauseam.

The Leader of the Opposition was practically friendless in his own party yesterday in saying that he is still committed to their paid parental leave scheme—a scheme which would pay up to $75,000 for some people in our community. It is an excessive amount of money to give to a woman who is going to take parental leave and stay at home. Despite his great promise, the reality is he does not have any funding to properly deliver that. We have a Richie Rich parental leave plan from those opposite which was derided in the Liberal Party policy room yesterday, and the reality is they really have no plans to deliver it.

Consequently, the MPI for today is this urgent discussion to make sure that parents who are thinking about adopting a child today or parents who are heading to a maternity ward today or sometime in the near future have the reassurance of this debate in this place today and are reminded that it is the Labor government that have actually delivered this for Australian women.

The facts are that we have, as the minister put on the record today in question time, 140,000 families who have already made application for the Paid Parental Leave Scheme, and 80,000 of those have already
received payments as a part of this scheme. That is quite a difference from the pie in the sky, still to be funded, perhaps to be delivered, perhaps not to be delivered offers that we are getting from the other side. The confusion over there actually reveals their very different values compared with us on this side of the chamber. Not only have we decided; we have delivered for Australian families the type of care that they have needed for a very, very long time.

Let us see what our Paid Parental Leave Scheme actually does. It offers families a lot more choice in balancing their care and working arrangements, following the birth or adoption of a child. Many Australian families rely on both incomes. Our economy is going along very strongly and we need a massive level of participation by our own people. As families make this great decision to bring a new Australian into the world and to begin their journey of family parenting, they need real, practical financial support.

We understand that, before the Paid Parental Leave Scheme started, more than 85 per cent of families were eligible for both the paid parental leave and the baby bonus, and that they would really benefit from having paid parental leave. We know from the stories alluded to today by Minister Macklin, the Minister for Families, Community Services and Indigenous Affairs, that numbers of families are writing in to just describe what has happened to them as a result of this significant Labor reform. One such message:

Dear Prime Minister
I just wanted to write and express my deepest thanks for having been eligible to be paid the new parental leave. If I had not I would already be back at work by now and would have missed so much of my baby daughter's development. Also, because my mother looks after my children while I am at work and has had these six months not having to, she has been able to go to TAFE and become qualified as an AIN and can now enter the workforce after 26 years of unemployment. I am also grateful for having received the baby bonus with my first child but I believe that it has sent the wrong message to parents and women, and we need this new paid parental leave scheme.

Another letter from a very grateful recipient of the Paid Parental Leave Scheme—which is in place because Labor has delivered, Labor has got the job done and made sure that women like this have been able to benefit and manage their working and their family lives from the beginning much more healthily—states:

A big thankyou for the paid parental leave scheme. It is almost halfway through my baby's first year. She is absolutely thriving. Spending her first year full time with her adoring mum has really helped her develop socially, emotionally and physically. She is confident. She is happy, curious and strong. I probably would have had to return to work as a teacher earlier if it was not for the paid parental leave.

This scheme, a Labor scheme, has had such a positive investment in the next generation. That is the story we are seeing with our reforms over and over in his House. The Australian Labor Party, here on the government benches, are making sure that we are delivering the things for ordinary working families that enhance their lives and make the most significant difference.

We know that women have struggled for decades campaigning for paid parental leave and now they have the certainty and not these off-again on-again promises and policies of the opposition that really leave women wondering whether they might be eligible and whether it will be funded. It is absolutely critical that the difference between these two parties is very well drawn.

Our Paid Parental Leave Scheme is changing the lives of ordinary Australians, but it is not the only thing that is changing.
the lives of ordinary Australians in terms of our significant reform. One of the critical things that is also affecting our families and impacting very positively on their lives are the changes that we are making to the other elements that impact on families, such as family tax benefit. This one has been very popular with families in my electorate. Children are with us for a long time, not just when we need a paid parental leave scheme at the beginning of their lives but all the way through to when they finish school. This Labor government have supported families and increased the family tax benefit A by up to $4,200 for each teenager aged 16 to 19 who remains in school or further study. This is another critical support. Those opposite have no proposed increase. So the contrast is absolutely stark.

In terms of the age pension, again, Labor are supporting families. Since September 2009, we have undertaken absolutely historic reforms that have delivered an extra $148 per fortnight for singles and around $146 per fortnight per member of a couple, and we are delivering an extra $338 and $510 a year under our new carbon pricing scheme. In terms of small business tax deductions, we are making a difference to families as well. Many families are small businesses and we know that they need our assistance as well. So the $6,500 instant asset write-off is another thing that helps families manage their income.

Finally, there is the education tax refund. It is great to have the babies. It is wonderful to stay at home with them. It is fantastic to manage your finances and balance the books as you do that—unlike those opposite, with their $70 billion hole, who cannot possibly give Australian families the essential services that I have been talking about and the essential services that we need. Families can now claim up to 50 per cent of the costs of $409 per year for each child in primary school and up to $818 for each child in secondary school. I know that the people in my electorate are very pleased to receive a little envelope indicating all the things that we are making tax deductive for them, including school uniforms. So, in terms of Labor policy, we are looking at the moment when families have children, when they begin that lifelong journey of looking after the own families, and we support them in that great work they are doing—not just for their families but for our whole community.

But that is not the only change we are making in terms of significant reforms. I want to speak for a moment about the change to carbon pricing and how significant a change that has been in a seat such as mine. Yesterday I was able to put on the record—and I would like to do that here in the main chamber today—the fact that one of our local companies in the seat of Robertson, Licella, has been engaged in improving its technology. It was funded with $2 million start-up funding to support the changes that they were making, and on 14 December last year Minister Ferguson and I went up to Somersby to the opening of the company's new biofuels commercial demonstration facility. This change would not have been possible without the investment of our funding, to make sure that the reforms that this country needs are actually supported. The company's new biofuels commercial demonstration facility was a fantastic sight to see, and the reality is that four new commercial agreements have been signed and it is all based on this new technology that was supported by government funding. We need to support reforms, and the sorts of reforms that we make can not only impact on families but on businesses. It is groundbreaking work that we are doing. The type of change we have seen at Licella could not have happened without the investment of
the Gillard government through our clean energy future package.

The area of education is critical as well. We can see those sorts of reforms that are happening that bring about the nature of changes that we believe are possible as a Labor government. Our trades training centres are absolutely vital in giving students in 927 schools across Australia the chance to actually stay at school, do their study in a community they know and be able to then go into the sort of work that they want to do. In terms of skills, we have invested $11.1 billion. These are lighthouse projects that are actually going to make a fantastic difference to Australian families.

The reality is that, with all of these elements I have been speaking about, there is a clarity of purpose for Labor. We believe in Australian families. We believe in supporting Australian families who are at work. We are getting on with the big reforms to which I have generally alluded today. We are delivering reforms for ordinary working people. We are managing the economy to help those working people and their families. We are managing the economy so we can build a nation for the future. And we are helping ordinary Australians manage the economy of their family budgets by providing paid parental leave in historic reforms that we are not still squabbling about; we have actually agreed to them and delivered them.

Tony Abbott clearly wants to take this nation backwards, and there is no way we could see that more clearly than through the argument we have seen in the last couple of days about paid parental leave. His is a coalition of the 'noalition'. They are still saying no to vital things that Australia needs and, every time we put reform before them in this House, they continue to deny Australians the opportunities that will help us move forward together—not some Australians, as they would have benefit, with $75,000 in paid parental leave supported by those who are earning $20,000. Not that sort of a change but a change that takes all Australians fairly into the future together. Whatever the question is, Tony Abbott is saying no. He is saying no to the future of a paid parental leave scheme that is realistic and deliverable. Stick with Labor, because we are the ones who get the job done.

Yesterday we saw the member for Moncrieff making the point that, when they have policy discussions on the other side of the House, they are finding that there is not enough fact and evidence to be able to advance anything in a practical way. The member for Moncrieff has said, 'I don't think I'm letting the cat out of the bag to say that people feel we are not being proactive enough in terms of outlining the policies that we would bring into government'. It is absolutely clear that, even while the Leader of the Opposition argues he has an aspiration to bring in paid parental leave, he has no capacity to do it. He does not have the support of the people behind him and he does not have the money—because he has a $70 billion black hole to clear before he can even start any sort of reform that we are already delivering. (Time expired)

Mrs MIRABELLA (Indi) (15:42): That contribution was not even worthy of an interjection. We had the member for Robertson talk about squabbling. Where has she been in the last week and a half! We have seen the ugliest, the cruellest, the biggest blood feud that we have seen in Australian political history. You want to see squabbling? You could not even describe it as squabbling: it was open internecine warfare. And the words are still there, because the players are still the same. George Orwell would be proud by the
doublespeak that this current government and its members employ.

The member for Robertson talked about reform and she quite proudly, again—what cruel doublespeak—mentioned the carbon tax, the carbon tax that is going to put a $4 billion black hole in the budget. She did not mention the so-called reform. Whenever you hear the Labor Party use the word 'reform', you should just cross it out and put 'damage'. What damage are they going to cause in a political policy area? Let us look at the mining tax damage. It is going to worsen the budget bottom line by $6 billion. We know that the most important foundation of our society is healthy families. So why is this government pursuing a carbon tax that was only pushed on them by the Greens? If it were such good policy, why did they not say before the election: 'A carbon tax is something we will introduce. A government I lead will introduce a carbon tax'? Because the Prime Minister knew that the Australian people were not going to swallow that one. They would know the damage it would cause to their jobs and to their household budgets.

So, when we talk about trying to help Australian families, who are struggling at the moment with increasing energy bills, you cannot look at the carbon tax as some sort of help or some sort of pathetic excuse for a reform. A carbon tax is not a reform. The carbon tax was the price that a Prime Minister in waiting, with poor political judgment, thought she had to give as the price to remain in her job. That is what the carbon tax is.

Looking at increases in electricity prices, we have seen only today that energy producers will be hit with a $4 billion carbon tax bill. How much is that going to push electricity prices up beyond the 10 per cent predicted in the Treasury modelling? That is causing real concern to families out there who are doing it extremely tough.

So, when the other side talks about reform, forgive me for joining the majority of Australians in thinking this government is an absolute joke. The real reform in which they should engage, the one they have not touched, is the reform of their own organisation. If the Labor Party reformed and became a truly representative party they would not have this internecine warfare or the factional warlords pulling the strings of a puppet Prime Minister preventing her even from bringing in the man she thought would best represent Australia as Minister for Foreign Affairs. That is the sting, that is the pain in the Labor Party—they know it. They know that they cannot engage in real reform and in real assistance for Australian families unless those factional warlords, those bosses, give their imprimatur. That is why any talk of real reform and helping families falls on deaf ears. Australian people and Australian families can see that this Prime Minister and this government are absolutely impotent in looking at the real problems and real challenges facing Australian families, and they are very significant.

When you look at starting a family, it is expensive. These days the reality is that most mortgages need to be serviced by a dual income. The financial stress on a young family starting out is increasing, thanks to the increase in regulatory costs to business, to increases in energy prices and to this so-called reform of a carbon tax, which will only give less security to so many families, particularly those who rely on the manufacturing sector.

We have these additional costs and pressures and it is the responsibility of a major political party to ask what they can do in a fair dinkum way, not in a tokenistic way and not so they can say, 'Gee, we've ticked the box on paid parental leave. But what can we really do to give mothers and families a
real choice in child birth and to spend time with their children?"

The World Health Organisation, Australian National Health and the Medical Research Council all tell us that six months is the minimum period of exclusive care and breast feeding that is optimal for maternal and infant health outcomes. That is why our paid parental leave scheme is for a much longer period. It covers that six month period, those 26 weeks, while the Labor Party's proposal only covers 18 weeks. Why not the six-month period that is recognised as the minimum period for providing those better health outcomes? It is because the Labor Party just wanted a token effort. They cannot bring themselves to go above party politics and say, 'You know, the opposition has actually come up with a better plan than us.' The women on the other side know it is, but they cannot bring themselves to say it. Considering the stresses of modern life, we have chosen to give women the choice of spending six months at home with fair dinkum pay.

The Labor Party's scheme, with a gross value of just over $10,000—we are not denying that it is a help—is really a very marginal net benefit to those who receive it when compared to the baby bonus and family benefits. It is not really likely to lead to a change in behaviour amongst a group of working women who currently feel they cannot afford to stay at home for six months. That is the reality of the financial challenges they face in their household budgets. That is something that is not acknowledged on the other side. One of the increasing burdens of administration of Labor's paid parental leave scheme is to actually have employers act as the paymasters for the paid parental leave scheme, which adds yet again to the regulatory burden on small business, which is doing it tough.

What is the coalition's paid parental leave scheme? It is fair dinkum because it provides mothers with 26 weeks of paid parental leave at a fair dinkum wage. It is not a token wage. It is saying to women, 'We value your contribution in the workplace. We value your need to contribute to your household budget. We value you as part of a productive workforce. We recognise the challenges in increasing Australia's participation rate. We want to make it easier for you to have one or two children and start a family and not be stressed having to run back to work because you are financially required to do so.'

Our paid parental leave scheme is a full replacement wage of up to $150,000, or the federal minimum wage, whichever is the greater. This brings us into line with world's best practice. It brings us into line with our OECD competitors. Countries that offer replacement wages—France, Germany, Austria, Denmark, Singapore, Norway and Switzerland, just to name a few—deliver paid parental leave based on 100 per cent of the mother's prebirth earnings. So when we follow what our competitors are doing, trying to do our bit, what does the government do? They are in denial, pretending that their small effort to tick the box is going to solve the problem of choice for Australian families and for Australian mothers. No other country in the world derives its rate of payment from the national minimum wage as Labor's does.

The government also fails to understand the long-term financial security. Our paid parental leave scheme will include superannuation contributions at the mandatory rate of nine per cent, as it should. The coalition believes that the superannuation contributions must be paid while women are receiving paid parental leave, because we do not believe that paid parental leave is some token welfare payment. We believe it is a workplace
entitlement and an important part of social reform that understands the society in which we live and the challenges facing young families now and into the future.

We are very passionate about this reform. We will continue to advocate this reform, because what we get told by working mothers and by women who want to start a family is: 'Thank you. Thank you for listening. Thank you for understanding how tough it is out there. I want to start a family, but I can't afford to take six months off and look after my child, because we just can't manage to pay our bills; we won't be able to pay our mortgage.' This is an absolute reality.

We have heard from the other side, 'They're not really going to deliver it; they're just promising it.' Well, we have actually provided a plan on how it is going to get paid. It will be funded by a 1 1/2 per cent levy on companies with taxable incomes in excess of $5 million. That levy applies to about 3,300 companies out of 770,000 companies in Australia. These companies will also receive the benefit of a 1.5 per cent reduction in company tax. We think this is an important reform. This levy is necessary because of the mismanagement of this government. They still borrow $100 million a day. Do not look at what the Labor Party says—that they are one big happy family, that they will bring the budget back into surplus. Look at what they do and at the fact that they have delivered the four biggest budget deficits in Australia's history.

Look at how they have squandered billions of dollars in failed programs, like the pink batts program, the overpriced school halls and cheques to dead people. This is a political party, in government, so desperate to cover up the opening cracks in the relationship of its frontbench and to cover up its incompetence, its ineptitude and the fact that those on the frontbench are not really the ones in control. They actually take their eye off the ball when it comes to real policy and real reform, so when a problem comes up all they do is throw some money at it: 'Oh, you've got a bit of a problem? Don't bother us, because we're consumed by our internecine warfare. Here, have some money and go away.' The fact that they have squandered billions—that they squandered a budget surplus they inherited—means that they cannot deliver on the very important social reforms that are part of an evolving society and that are the real challenges for our community.

The public knows that in 12 years of good government under the coalition we delivered social dividends. We delivered real reforms. We delivered 20 per cent in real wages. We created more than two million jobs, and it will be our job to eventually clean up the mess that this mob has created to try to give the Australian people some hope for the future, give them the opportunities they deserve and give them the rewards when they work hard, when they make the right decisions, when they try to start a family and make their contribution to Australia. Unfortunately and sadly, those on the other side cannot bring themselves to commend the opposition for coming up with a fair dinkum paid parental leave scheme. (Time expired)

Mr PERRETT (Moreton) (15:57): I rise to support this important motion on paid parental leave, put forward by the member for Robertson. Before I do, I want to pass a few comments on the contribution by the member for Indi. She certainly has a capacity to clear a room. I have never seen this chamber empty so quickly as when she rose to speak.

Mr Ewen Jones interjecting—
The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Herbert is not in his chair. I have already warned him.

Mr PERRETT: I want to go on the record as supporting the contribution of women in the workplace—just not the member for Indi.

Mrs Mirabella: How’s your latest novel going?

Mr PERRETT: I will take that interjection. The next book is going well, actually. I will tell you about the first book. I remember the launch of the book at a book store in Sydney. Maxine McKew was speaking on the book, but the MC was a senator from New South Wales called Bill Heffernan. In her speech the member for Indi said there was no bipartisan approach to politics. I would like to go on the record and say—and I probably should not tell this to my Labor colleagues—that I had Senator Bill Heffernan come along and host my book launch. And he is a great guy. I know there are people who want to say bad things about him. He has certainly made the odd wrong call in the past, but he has then gone on the record and apologised to the people he made the wrong call about. I am sure that is the spirit that would pervade this chamber and most chambers: that if people say the wrong thing they then apologise. We certainly heard a litany of wrong things said by the member for Indi. She was talking about the stresses put on working families and especially people who are having children. I do remind people that we had 10 interest rate rises in a row under the Howard government. What has happened since the Rudd and Gillard governments came to power? Interest rates have gone down to the extent that, if working families have an average mortgage, they now have $3,000 extra in their pocket. Also, the member for Indi made some contribution about jobs. I note that of the 700,000 jobs created under the Rudd and Gillard governments half of them have gone to women. That is a fair dinkum contribution to women. So, obviously, the contribution of the member for Robertson is important because we all know, especially if you have had children, how important it is to give them as much support as possible. I know the member for Indi has had children. It has certainly been noted in this chamber by other members that she has had children. But for her to stand here today and suggest that—

Opposition members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Indi might remember I was in the chair when that incident happened and she is not faultless.

Mr PERRETT: It is ridiculous for her to stand here today and suggest that the cleaners of Australia should pay for her parental leave—because that is what would be the case under opposition leader Tony Abbott’s scheme—and that her parental leave pay, if she were having a child today, should also be paid for by the people out working on the roads. It is only appropriate that we should have some sort of indication, like we did with private health insurance and like we did with the baby bonus, of the income that people have when it comes to having children and when it comes to looking after medical expenses. I well remember when we voted on means testing the baby bonus. Do you know how I remember? Because my son was born on 19 January, less than nine months after we changed that in the budget. My wife was pregnant on budget night and we did not have a nine-month lead-in—which might have been a good idea, as I explained to my then pregnant wife.

Ms Saffin: Too much detail!

Mr PERRETT: I am telling you she reminds me of it every year. So I would suggest to the member for Indi, if, heaven
forbid, they do bring in a change to the parental scheme, that they have more than a nine-month lead-in, which is a good suggestion. I was not sure of her vote at the 2010 election after we changed that. But, obviously, we should not be handing out money to federal politicians, which is effectively what the baby bonus used to do. Federal politicians should not be receiving money from cleaners, road workers and the like. That is inappropriate. We have seen the contribution from the member for Indi somehow trying to defend the opposition leader's $3.2 billion scheme that she thinks is going to be funded like the magic pudding. But we all know about the opposition's tax on 3,000 companies, the 1.7 per cent tax or levy, or whatever you want to call it, will be passed straight on to the poorer people of Australia, the people that go to Woolies, Coles and the like. They will pay for that. We are trying to give tax breaks to companies and what does the opposition leader want to do? He wants to tax them more.

We heard the contribution about a price on carbon. They really need to wake up and realise that the world has changed. Sure, Kyoto to Copenhagen might not necessarily have been humanity's greatest hour but we are changing and from Durban and beyond humans are stepping up and realising that the world is a place that we need to look after.

Then we have heard their contributions on the NBN, which, as every economist will tell you, is our greatest hope for increasing productivity in this country. It is not just 'work harder and cut penalty rates'—that is the simplistic approach of those opposite. We know about increasing productivity. Productivity was at zero when the Rudd government took office. As every economist knows, that means there is something going wrong with the car's engine but they just said, 'Crank up the music and ignore it' when the reality is we have to do more—and the NBN is part of the way that we are going to address that problem.

The National Disability Insurance Scheme is something historic that is wanted by so many people in my electorate and throughout Australia. But those opposite want to take an axe to that. Then we have the most simplistic of ideas, the mining tax. Our minerals—not Clive's, not Gina's—are being dug out of the ground and once they are sold they are gone forever unless we distribute the profits that come from all that. That is the reality.

I come to the Leader of the Opposition's $70 billion black hole. We have already heard a lot about that in question time today, about the reality that there are some serious problems going on on the other side of the House. I was interested to read an article by the former Treasurer, Peter Costello, in the Age. It was a strange contribution. Talk about people challenging. This is from the eternal bridesmaid. I have seen digital clocks with more ticker than Peter Costello—fair dinkum! But he did make a contribution where he was talking about what Australia needs to do. To his credit, Peter Costello—although there were rivers of gold flowing into the government coffers—did balance the books. I am not sure that he was the most energetic Treasurer in the world and I note that Paul Keating, who was once called the world's greatest Treasurer, said that he was the laziest Treasurer ever. Unfortunately, the Leader of the Opposition has broken that tradition, that Liberal commitment to actually being prepared to balance the books. That $70 billion black hole is incredible. We hear reported today that his colleagues are telling him he must drop this ridiculous commitment, this paid parental leave scheme. The sort of money that he would be committing would go a long way in Queensland—and I see the member for Capricornia here and the member for Blair
and the member for Petrie, who are all Queenslanders who supported doing something sensible. I see the member for Herbert. The member for Herbert unfortunately did not vote the right way when he came to the flood levy. He was one of the 21 Queenslanders who voted against it. Bob Katter, who is not a member of the government, voted, like a true Queenslander, to pour some money into reconstruction.

Ms Saffin: Good on Bob!

Mr Perrett: Yes. Instead, what do those opposite want to do? They want to line the pockets of wealthier families with up to $75,000. That is not generous; that is actually irresponsible. So far we have seen 140,000 parents benefit from the Labor scheme. They just said, 'It's just a tick a box, it's nothing.' The reality is that it is 140,000 parents. I do not know how many kids that is. I am not sure what the percentage of twins or triplets is, but a lot of children have benefited already from our great scheme.

(Time expired)

Mr Andrews (Menzies) (16:07): What a desperate, distrusted, dysfunctional, disastrous government we have got! They are so desperate—

The Deputy Speaker: The member for Menzies should recall section 90. I will be reminding people of imputations that are implying intent.

Mr Andrews: They are so desperate that the Labor Party have to come in here this afternoon and defame the coalition's policy. I say 'defame', because what is their complaint? Their complaint is that the coalition has a better paid parental leave scheme policy then does the government. That is their complaint because that is the reality. They talk about the Paid Parental Leave scheme, but let us take a couple of things into account. Firstly, how did they construct it? They constructed it in part by cannibalising the baby bonus that was put in place by the Howard-Costello government. I note the previous member conceded that when Mr Costello was Treasurer for all of those years he balanced the books. That is more than the current Treasurer of Australia has ever been able to do in the four years that he has been the Treasurer of this country. Each year he promises a surplus. For four years now we have been getting the same statements from the Treasurer, Mr Swan: he is going to deliver a surplus. Yet year after year after year after year, so far, that promise has never been fulfilled. There has not been a surplus. We are getting it again now: 'I'm going to deliver a surplus. The government's going to deliver a surplus.' We will not know for over 12 months whether that is the case or not. But, so far, if you want to go on the record of this government, the promise has amounted to nothing for each of the four years.

But let us get back to the subject matter of this discussion—namely, a paid parental leave scheme. The first thing is that the baby bonus put in place by the Howard-Costello government is being cannibalised, modified, in order to pay for a paid parental leave scheme. But what is happening with the baby bonus? The piece of legislation that is to come before this parliament when this debate is over in a few minutes time is going to do two things to the baby bonus. The first thing it is going to do is reduce the baby bonus from $5,437 to $5,000. So much for helping the families of Australia! So much for helping the men and women of Australia who are having children! But the government are not only going to reduce the baby bonus, which has been cannibalised in the first place in part to pay for the Paid Parental Leave scheme; they are also going to put a cap on the indexation. Instead of the baby bonus going up by an indexed amount each year for the next three years, what is
going to happen? It is going to come down to $5,000 and there will be no indexation in place for the next three years. The government come in here with the gall to talk about what we are doing, when the reality is that the actual thing they are doing, which will be in the debate following this one, will be a reduction in the baby bonus. What gall from this desperate government!

There are two problems here for the government. First of all, they take an existing scheme and change it in order to pay, in part, for their Paid Parental Leave scheme. Secondly, they then reduce the amount of money that is available under the baby bonus over the next three years for intending parents in this country. Then they come in and complain that our policy is better. And it is better. We are going to pay parents the actual wage rather than a wage based on the minimum wage. Look at the schemes around the world and make a comparison. Almost every one of the schemes around the world is based on actual wages rather than on the minimum wage. On top of that, we are going to include superannuation. We have the member for Maribyrnong spouting off every now and again about superannuation. Where is the superannuation component of the Paid Parental Leave scheme that this government have put in place? It does not exist. They know in their hearts that it does not exist and they know in their hearts that this is a better proposal than what they have there at the present time, yet they come in here and complain about it.

That is why I called this government desperate. It is now seeking to defame the policies of the opposition in order to somehow make itself look good. Not only have we got that happening here with the Paid Parental Leave scheme, for which a better policy is being proposed; we have also heard in the last few days about how the coalition is not supporting the National Disability Insurance Scheme. Again, that is totally wrong. Again, we have said, 'This is a scheme which we're supporting. Put it in place.' What we have said is: 'Where's the money? No money has been put forward so far. When are you actually going to commit and tell us how that money is going to be put forward?' But of course there is no answer to that, just the imputation that somehow the coalition is not supporting this scheme.

Let us get real about these things, Madam Deputy Speaker. The reality here is that the coalition does support families. It supported families right throughout its term in office. What better thing can you do for families than keep down prices and ensure that people have got jobs? The last speaker was spouting about jobs and employment. Can I remind him and his colleagues on the other side that when this Labor government came to office the unemployment rate in Australia was 4.3 per cent. What is it today? It is 5.1 per cent—and higher in some states.

Mr Buchholz: It is 7.1 in Townsville!

Mr ANDREWS: My honourable colleague tells me it is 7.1 per cent in Townsville. Yet it was 4.3 per cent when this government came into office.

Mrs Griggs: They're doing such a good job!

Mr ANDREWS: Yes, they are doing such a good job, as another of my honourable friends behind me says. The reality is that this is a government under which families are actually being treated worse. At the same time, cost-of-living pressures are on families right across Australia. Electricity prices have increased in the last four years on average across this country by 61 per cent. Gas prices have increased on average by 37 per cent. What we know is that on 1 July this year this government will introduce a carbon tax which will further push up those prices. The
great lie in this policy debate is that somehow the carbon tax is only going to be implemented for 500 companies. First of all, we cannot be told who the 500 companies are. That is a major secret. Maybe the government does not know itself. But the implication of what is being said here is that somehow the tax will be totally absorbed by these companies and that will be that. The lie to that was given this week by Virgin, who said that they are going to increase the cost of their domestic airfares by $6 because of the carbon tax, following what Qantas had already announced in relation to their airfares. And do you think that the top 500 companies across Australia are not going to follow Qantas and Virgin in relation to this and push up their prices? Of course they will. I said that electricity went up by 61 per cent over the last four years and that gas has gone up by 37 per cent. We are told by the energy producers that electricity prices and gas prices will go up by nine to 10 per cent, in addition to what they might have gone up otherwise, simply because of the carbon tax. And here we have a government talking about its care for families. That is just bunkum when you see what is happening.

But it is not just electricity and gas prices that will be affected. Water and sewerage rates have increased by an average of 58 per cent across this nation in the last four years. Health costs have gone up by an average of 20 per cent, and that is even before the Labor Party has hit on the private health insurance scheme. Education costs have gone up by an average of 24 per cent. So with just health and education—two major items of expenditure for any family in this country—one has gone up by 20 per cent and the other has gone up by 24 per cent, and they are going to continue to rise. If you do not think that a carbon tax is going to flow through into all goods and services in Australia then you must be living in fantasy land, like I suspect some of the members opposite are.

The cost of food has gone up by 13 per cent on average in Australia. Food requires energy to produce. Food requires energy to process. Food requires energy to transport from one place to another, from where it was manufactured to where it is stored and onto the supermarket shelves of shops all over this country. That is going to go up as well. And who is going to pay for that? The families of Australia. So I would say to members opposite: do not come in here and try to pretend that somehow you are doing something which is great for the families of Australia when you are ripping out the costs in terms of what they are going to pay for in the coming years. Also, rent has increased by 25 per cent for families who are renting across Australia. All of these costs have gone up under this Labor government—costs that have been hitting families over the last four years—and we know that they are going to go up even further into the future.

There is a paid parental scheme in place. We acknowledge that. We concede that. The government has put one in place. But we are saying that they can do better than that. They can put a better paid parental leave scheme in place and they do not need to be ripping down the amount paid under the baby bonus at the same time. The reality is that what we have got is a better proposition than what the government is offering at the present time, and it does not need people to come in here and defame that policy.

Mrs D'ATH (Petrie) (16:17): I rise to support the member for Robertson's matter of public importance today on parental leave and other major reforms by the government and also to reassure women and families across this country that Labor is committed to ensuring that they have a paid parental leave scheme and other reforms that support
families into the future. What they would get under a coalition government is nothing more than pain and heartache. They saw it for 11 years.

I cannot believe that I have sat here and listened to the member for Indi and the member for Menzies, who is the shadow minister for families, housing and human services, talking about how the opposition values women and that they give hope to women. The government supported families the whole time we were in office.' were the words of the member for Menzies. Let us just look at how the Howard government supported families and women when they were in office. Let us forget about the 10 interest rate rises in a row that women and families had to put up with near the end of the Howard government years and the pressure that that was putting on the cost of living. Let us forget about many of the cuts the Howard government made to the health sector and the fact that they completely walked away from education and investing in skills in this country, in apprenticeships and traineeships.

But we have to mention the fact that this was the government that introduced Work Choices. The people who were affected the most by Work Choices were women in low-income positions, in casual employment. They were the ones who hurt the most from that policy. Those opposite come into this chamber and actually argue that they supported families the whole time they were in government. It is just unbelievable. And we are to believe that, if they were back in government, they would put through all these reforms to help women and to help families. We are supposed to believe that, in government, those opposite would put together a paid parental leave scheme that would be more beneficial than what this government has done.

Those opposite are saying that this government would be led by the current Leader of the Opposition—a man who openly said when he was part of the Howard government for 11 years that he would introduce paid parental leave over his dead body. That is how supportive he was of women. That is how much he valued women. The hope that he gives women in the future in this country is: 'Vote for me and I guarantee that I'll go back on my word and probably never deliver it.' But let us assume he actually delivers it. Let us assume that the Leader of the Opposition and the Liberal Party are genuine about introducing paid parental leave should they be in government. How would they pay for this $3.2 billion reform? We have heard them arguing about the carbon price and its impact on households and that they are devastated by this. They opposed the flood levy to support the rebuilding of Queensland. They do not want to impose any new costs on families at all. They are completely opposed to the levy. But, when it comes to Tony Abbott's wonderful paid parental leave scheme, they will fund it by slugging business with a 1.5 per cent tax—but not just for one year; no. We heard the shadow Treasurer during the 2010 campaign say: 'I'm not putting a time to this so-called temporary levy. I'm not going to say whether it would be one year, three years, five years or even 10 years.' What business can expect if the community supports the opposition and want them in a government led by Tony Abbot is to be slugged a 1.5 per cent tax. This is big business. These are our retailers—Coles and Woolworths. Does the opposition truly believe that those costs will not flow to consumers? So, the women they are helping to stay at home with their children are now going to the supermarket and paying more for baby food, for nappies and to support
their family because of the paid parental leave scheme.

We have heard it from the member for Moreton before. I do not believe that those of us in this chamber with our salaries should necessarily have business paying for our paid parental leave scheme. I do not believe that is appropriate. I did not believe that people on wages of up to $150,000 should receive a 30 per cent private health insurance rebate—that is why I supported the recent changes that this government put through in that area. Many policies from the opposition seem to cater for a certain group in the community. It always seems to be those on high wages who do best out of this. Their paid parental scheme says the more you earn the more you benefit from it. If you are a low-income woman, a casual, then you will get the absolute minimum. But it is okay if you are on a higher wage—$120,000, $130,000 or $150,000 a year—because 'we will look after you'. You will get your full wage for the six months.

We have heard from the opposition about valuing women, giving them hope for the future. I acknowledge that the opposition does have one cost-saving measure in relation to paying for its paid parental leave scheme. If there are fewer women in the workforce, it pays less. The fact that the opposition intends to sack at least 12,000 public servants says there will be fewer women in the workforce, so it has just saved some money by getting rid of a bunch of public servants to fund its paid parental leave scheme. That is valuing women, giving them a lot of hope for the future under a coalition government.

We hear about tax cuts but the Leader of the Opposition says if the coalition were in government, 'It depends on whether we can afford them now.' If we try to take the Leader of the Opposition at his word, you have to ask the question: at what time do we trust that word? The Leader of the Opposition has said, 'If I don't put it in writing, don't necessarily trust the words that come out of my mouth.'

Ms O'Dwyer: Have you met Julia Gillard?

The DEPUTY SPEAKER: Order! The member for Higgins; you will have your opportunity.

Mrs D’ATH: The opposition continually puts out policies—I guess it is the pleasure of being in opposition to just throw these policies out there, not really costing them, not caring how they are going to be costed—but the shadow Treasurer cannot explain them and the shadow finance minister certainly cannot explain where all this money is coming from. We are now up to a $70 billion black hole. I am very confident that will continue to grow between now and the next federal election.

I could stand here for the couple of minutes that I have remaining and keep talking about how much the opposition truly values women. The fact is that this Gillard Labor government has delivered for women. It is delivering for families. It was the first government to introduce the Paid Parental Leave scheme. It could have every single member of the opposition stand up in this chamber and say how great their parental leave scheme was but, guess what? For 11 years they chose not to introduce a scheme. They did not even want to talk about it. It was not worthy of discussion; the Leader of the Opposition would rather have seen it introduced over his dead body. That is how much he thought of it. It is hard to give them any credibility on this issue.

This Labor government has delivered, and not just for women who have babies. We will continue to provide assistance for families well into the future. Look at the childcare
rebate, which increased to 50 per cent, increases in the family tax benefit and the assistance to families with teenagers. Under the Howard government, as soon as young people became teenagers the family tax benefit dropped. We recognised that they do not become cheaper as they get older. We are providing that support—such as the assistance for teenagers for dental checkups. These are the sorts of things that this government is doing.

Yes, we will introduce action to deal with climate change. We accept that there are cost implications but we as a Labor government will provide assistance for those costs. We are committed to reducing the company tax. We are the ones who are increasing superannuation. The alternative is to increase company tax and oppose increases in superannuation. Everything they want to do will cost the community. The member for Menzies spoke of the cost of living and grocery prices. Does he seriously believe grocery prices will not go up with a 1.5 per cent slug on company tax? This government will reduce company tax. It will help working families by supporting jobs, increasing superannuation, dealing with the environment, investing in infrastructure and looking after education. (Time expired)

Ms O'DWYER (Higgins) (16:27): I was listening to the contribution made by the member for Petrie and she posited the question: why is it that in government we did not deliver the PPL—the paid parental leave scheme? Is it a very valid question but let me pose this question to her: did she realise that the task we were left with in government was incredibly significant? We inherited from the Labor Party $96 billion of debt. This is an undeniable fact, a record of the previous Labor government's mismanagement. With this Labor-Greens alliance, we have seen more of the same. This is a government that cannot manage the economy. This is a government that has reduced $20 billion of surplus to deficits. We are going to have a net debt of $133 billion. This is the record of the current Labor government. It has accumulated four deficits which amount to over $167 billion. Their record is incredibly poor. If government members would like to compare the paid parental leave schemes, let us do that. Let us talk about the government's Paid Parental Leave scheme and the scheme that we on this side of the chamber have put forward. Our paid parental leave scheme is more comprehensive and it is simpler than the scheme that the government has brought forward. Let us go through it bit by bit. We are offering a 26-week paid parental leave scheme, compared to the government's scheme of only 18 weeks. The reason we have done this is based on the research. The Australian National Health and Medical Research Council and the World Health Organisation have recommended that six months is the right amount of time for a parent to bond with their child. It is a recommended time, particularly for mothers who would like to breastfeed and bond with their children. This is very different, of course, from the scheme brought forward by the government.

Another key difference is in superannuation. The government likes to talk about superannuation and yet, when it comes to the crunch, it is only our paid parental leave scheme that is going to contribute the mandatory nine per cent of superannuation for women. The government is not doing this. The government scheme is silent on superannuation. It is not making any superannuation contribution. We already know that there is a big disparity between men and women and their superannuation earnings over their lifetime. On average, Australian women at around 70 years of age have accumulated about $250,000 in superannuation, and this compares to men,
with about $450,000. One of the reasons for this disparity is that women leave the workforce in order to have children. This is a fact. And this government wants to make the disparity even worse by not contributing superannuation in its Paid Parental Leave scheme.

The gross value of the government's Paid Parental Leave scheme maxes out at $10,258. Ours recognises that different women are on different wages. Ours is at replacement wage, capped at $150,000, or the federal minimum wage. But it is not just this that makes ours a more comprehensive paid parental leave scheme.

Ours is a much simpler scheme. Ours does not seek to impose additional burdens on small business. Ours does not seek to tell small business that they then need to administer a new government scheme by changing their payroll and accounting practices, which will cost them significant money and also time. No, we will instead administer our scheme through the Family Assistance Office. It will be direct from government to families. It will not seek to impose additional burdens of red tape and regulation, particularly on small business, who can least afford it.

The member for Petrie said that this is unfunded. That of course is not the case. It is a funded scheme, and we have outlined before exactly how it will be funded. If Labor did not get us into such financial trouble, if it did not rack up such significant debt, we would not have to fund the scheme in the way that we have proposed. It is of course our intention that, once we have cleaned up Labor's mess—as we always do when we are re-elected—we will remove the 1.5 per cent levy that will be imposed on companies with a taxable income in excess of $5 million. That is around 3,300 companies out of around 770,000 companies.

We note as well that the company tax rate will reduce in 2013-14 by 1.5 per cent, so, while it is not our preference to do this, it is something that unfortunately, given the parlous state of the books, in order to be economically responsible, we have done so, so that the scheme is fully funded.

We on this side of the chamber want to see increased productivity and we want to see increased participation. One of the most effective ways of improving productivity is to encourage wider workplace participation. One of the biggest barriers to wider workplace participation is child care. We know this. It is an unadulterated fact.

The Labor-Greens alliance, through their thought-bubble policies, clearly do not understand this pretty basic fact. We have already seen this government announce the quality assurance framework. Not only has it announced it but it is seeking to ram it through. This will change the ratio of staff to children from five to one to four to one. Why? The government cannot in fact tell us why. There is no research to back this up. The only implication that will flow from this is that it will increase the cost of child care for Australian families. Some parents may in fact choose to send their child to a childcare centre with a better ratio, but this should be a choice for parents. It should not be mandated. It should not be forced upon them. And it should not be forced upon them particularly in terms of the increased cost.

Minister Ellis I think suffers from the same affliction as the Prime Minister. She finds it very difficult to be honest about the real cost that this policy will have. She has tried to pretend that it will only increase the cost by about 57c a day, but that is completely and utterly untrue. The Australian Childcare Alliance has found that three-quarters of all childcare centres are going to be forced to increase their fees.
Twenty-five per cent of them are going to be increasing their fees by between $30 and $50 a week. I know that in my area the Glen Eira council has told me that it is going to be increasing its fees for its childcare centres from $91 a day to $116 a day. That is a bit higher than the 57c that the minister has claimed it will cost. That is what it is going to cost to administer the federal government's new mandatory carer-to-child ratios from 2012.

But this government is not listening. It is not listening to Australian families. It is not listening to the fact that they are hurting. And it is not listening about the additional impost that this will have on their daily lives and the potential impact it will have on our participation rate and therefore our productivity.

Our record, of course, is very different to that of the government. We do not seek to mandate these sorts of things. We believe in giving parents choice. But this is not it, because this Labor government has also ripped money away—$12 million—from Take a Break occasional care. There is an occasional childcare centre in Murrumbeena, in my electorate, that I know fundraises around $6,000 a year, which is a huge impost on it. The federal money being ripped out is going to be around $7,500. That centre will need to more than double its fundraising effort just to stay afloat. This is the real impact that the government's policies are having on childcare centres, on parents and on families in this country. The government's record is poor. Our record stands in contrast. We have a strong economic record. We can deliver on our policies, we can deliver on our promises and we want to see more hope, reward and opportunity for all Australians.

Mrs ANDREWS (McPherson) (16:38): A new child is a wonderful addition to any family. It is an occasion that is eagerly awaited and looked forward to by all concerned. Considerable planning takes place irrespective of whether the new arrival is an adoption or a birth from within the family. Part of that planning is for the financial implications of having a new child. As the mother of three children, I can in this instance speak from very direct experience. The costs associated with the arrival of a new child are enormous and they range from additional medical bills through to the purchase of a cot, prams, additional clothing, nappies et cetera. The list goes on and on. These are not discretionary items; they are essentials. As parents, we actually must buy these things. Even for subsequent children, those costs exist, because some of those items will certainly need replacement and there will be the medical costs irrespective of whether this is the first, the second, the third or a subsequent child.

I believe that the family is the foundation of our society. There is overwhelming evidence to support the view that the recommended time for a mother and child to spend together to establish breastfeeding and to bond is six months. While six months is such a short time to share with your child, it is a long time to be without a source of income, particularly when you have been working and earning money in the time leading up to the arrival of your new child.

The Productivity Commission report Paid parental leave: support for parents with newborn children identified a number of relevant factors. It said that around 72 per cent of mothers in paid work take leave around childbirth. That leave is from a number of different sources. There is paid parental leave, unpaid parental leave, annual leave, sick leave and long service leave. Those that cannot access leave generally resign. On average, mothers taking leave from paid work remain on leave for 37 weeks. Mothers with more than one child
return to work after childbirth slightly earlier than mothers with only one child. Of mothers with three children, 17 per cent return to work within three months, whereas only seven per cent of mothers with one child do that. The Productivity Commission also reported on the reasons why women return to work earlier than expected. They were: lack of paid maternity leave, lack of money and difficulty in maintaining household income.

Paid parental leave has actually existed under some workplace agreements for some time. The Department of Education, Employment and Workplace Relations estimated that paid maternity leave provisions were present in 15 per cent of workplace agreements. About 24,000 collective agreements and, until recently, 500,000 individual agreements are registered over a three-year period, so the 15 per cent covers about 44 per cent of the total workforce. Around 28 per cent of the workforce had workplace agreements containing paid paternity leave provisions, so there has been quite extensive coverage for quite some period of time. They were paid parental leave provisions, so they were above the minimum standard.

Not all parental leave provisions are actually incorporated into workplace agreements. Some of them are in company policies or human resources policies. The provisions have varied over time, but they generally have provided for six weeks of paid leave for the primary carer and one week of paid leave for the non-primary carer, although there are numerous examples of there being 12 weeks of paid parental leave—and up to 52 weeks in some instances. There are also examples of paid parental leave being made available and payable in two parts—one part of the payment being made when the leave was taken, with a further payment being made when the employee returned to work. Often the breakdown was on the basis of two-thirds of the payment being made effectively upfront, at the time that the leave was taken, and one-third of the payment being paid on the return to work of the employee.

The Paid Parental Leave scheme introduced by the Labor government falls well short of an acceptable scheme. As I indicated previously, the recommended time for a mother to breastfeed and bond with her baby is six months, yet Labor has implemented a paid parental leave scheme of only 18 weeks. Payment is capped at the minimum wage and there is no superannuation paid for that period. It seems to me very much an ill-conceived scheme that does not meet the needs of women and their families. I believe that there needs to be a much greater focus on women's participation in the workforce and positive measures that can be taken to encourage women to return to the workforce, preferably at an appropriate time after the arrival of their new child. I believe that wherever possible there should be a choice available for women to return to work. There are many women who would like to spend time with their new child, but for financial reasons they find that they have to return to work. One of the obvious reasons for this is the ever-increasing cost of living that we have under the current government. Mothers often feel the need and the necessity to return to work much earlier than they wish.

On the Gold Coast, unemployment is at about 5.5 per cent, but this figure does not paint an accurate picture at all of what is happening in our communities. There is a significant level of underemployment. There are people who would be working additional hours but either cannot find that work or it is not available at a time that suits a new mother, for example.
There is also the issue of the cost of child care and the lack of suitable childcare arrangements that form barriers to a return to work. These are issues that must be considered as part of a proper workforce participation model. Of course, we all want to help our new mothers and our babies. We want our babies and our children to be very well looked after. We also want to make the transition back to work as easy and straightforward as possible for the women.

If I turn now to talk specifically about women returning to work, there are a couple of issues that must be raised and that I need to address. Firstly, there is no doubt that there is a cost involved in the arrival of a new child, as I have indicated previously. Clearly, there is the cost of the child care itself. This is an added financial burden that new parents must consider in their planning around the return to work. There are costs in the child immediately going into child care—for example, getting an additional pack for the child to carry their clothing, their drink bottles et cetera. There are costs associated with taking the child to child care.

All of these are a financial burden and they take place at the time that the mother, the primary carer, returns to work. This should not be overlooked. There is also the juggling of the drop-off and pick-up times at the childcare centre and making sure that you are dropping the child off in time and you are back to pick them up before the centre closes. I have indicated that the costs associated with that are quite significant.

Then there is the issue of how work is organised. In my view, this needs a major overhaul in light of family responsibilities and striking the right balance between working and meeting our individual family responsibilities. Specifically, I think there needs to be a lot of work done on the way that part-time work is managed. We have worked full shifts. Shorter shifts and split shifts have not been supported by the union movement—they have argued against them—but they are work patterns that suit women who work and they support family responsibilities. We need to start breaking down some of those barriers and getting women back into the workforce because they have a major role to play in our economy.

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

COMMITTEES

Infrastructure and Communications Committee
Membership

The DEPUTY SPEAKER (Hon. BC Scott) (16:48): Mr Speaker has received advice from the Chief Opposition Whip nominating a member to be a supplementary member of the Standing Committee on Infrastructure and Communications for the purpose of the committee's inquiry into the Aviation Transport Security Amendment (Screening) Bill 2012.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (16:48): by leave—I move:

That Mr Chester be appointed a supplementary member of the Standing Committee on Infrastructure and Communications for the purpose of the committee's inquiry the Aviation Transport Security Amendment (Screening) Bill 2012.

Question agreed to.

Corporations and Financial Services Committee
Report

Mr RIPOLL (Oxley) (16:49): On behalf of the Parliamentary Joint Committee on Corporations and Financial Services, I present the committee's advisory report

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

Mr RIPOLL: by leave—It is with great pleasure that I table this report on the future of financial advice in this country. The report is the culmination of years of work from a very wide range of stakeholders—key industry people, consumer representatives, government officials, experts, interested parties, regulators, the public and, of course, government and its representatives. This has been a full, open and very robust process aimed at the best possible outcome for consumers and for the industry at large. I do apologise, though, that in the short time I have available to me I cannot possibly cover what is in the report. I encourage people to read the report in its detail and I know that those who are very interested will do exactly that.

Today, with the recommendations of this report, I believe that we have achieved the gains and the goals that were set some years ago. This report finishes the work of the PJC in this area and helps support the biggest reform in the financial services sector in a generation. The report also confirms the need for change and the benefits it will bring to consumers with their life savings. It also opens the market for industry to grow with new opportunities. The FoFA reforms are about changing the culture and the behaviour of the financial services sector and refocusing that energy on the interests of consumers. The FoFA bills are the result of years of work by the financial services sector itself, individual organisations, the PJC and the government to address a changing financial services environment and the needs of consumers. I believe this is a case where it is a win-win for everybody involved.

The impetus for this legislation was the PJC's 2009 inquiry into financial products and services in Australia. That inquiry was, in turn, a response to the financial collapse of Storm Financial and Opes Prime, amongst other things; but, as we all understand, these were just one part of a larger jigsaw of all the things that are happening in the community, particularly in the area of financial services. I strongly believe that this legislation will achieve the goals that we set out to do.

The FoFA bills will not only enhance consumer protection but also promote professionalism in the financial advice industry. The FoFA reforms will significantly address a number of inadequacies principally, but not totally, through the annual fee disclosure, the opt-in and the conflicted remuneration provisions. These are key parts of the reform. The bills require financial advisers to issue a fee disclosure statement every 12 months and the statement must contain fee-and-service information for the previous and forthcoming 12 months. In addition, there is a requirement for financial advisors to provide clients with their renewal notice every two years. This is about re-engaging clients and re-engaging service providers. The best interest test in the second FoFA bill contains a general duty that advisors must act in the best interests of their clients—something sensible and overdue—and there is a requirement that advice given by providers must be appropriate to the client. This is another key part of the changes and the reform of the FoFA bills.

The best available evidence that we have suggests there is likely to be a short-term increase in the number of financial advisors before returning to levels broadly similar to and consistent with current employment
numbers. While the total number of financial advisors will continue to consolidate, in terms of the FoFA reforms there will be a sharp increase in the provision of individual pieces of advice to individual consumers. Those numbers will double the estimated pieces of advice compared with what would happen if we did not make these changes.

I firmly believe that the costs of implementation and compliance for the industry are far outweighed by the benefits to consumers in the provision of high quality advice and transparency. This will also bring new opportunities to the sector, which cannot be overlooked. That said, I also appreciate that the next 12 to 18 months will be a time of some adjustment for many in the financial services and financial advice industry. The committee has also noted throughout its report that ASIC must assist with the compliance through publishing clear regulatory guidelines and detailing what is expected of the industry.

The FoFA reforms are the most significant and most important in a generation and are well and truly now due. FoFA has been, to a large extent, an evolutionary process from the old door-to-door sales of life insurance to the much more complex environment now of advice, services and products in a full advice type environment. But more needs to be done. The changes that are contained in the bills are filled with opportunity—opportunity for consumers to enjoy better protection, lower costs and high-quality advice that is more personally tailored through a whole new generation of opportunity for the sector. It will grow and will provide more individual pieces of advice. It is a good outcome for everyone involved.

Finally, I want to express my sincere thanks to all those people who provided submissions, who appeared before public hearings and gave evidence. I also want to thank quite a number of people in the committee secretariat for their very hard work—people who have changed over the time of the inquiry but who provided excellent service to the parliament. I commend the report to the House.

**BILLS**

**Family Assistance and Other Legislation Amendment Bill 2012**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

Mr ANDREWS (Menzies) (16:55): I rise to speak on the Family Assistance and Other Legislation Amendment Bill 2012. This bill promulgates amendments to family payments announced in the Mid-Year Economic and Fiscal Outlook, as well as implementing changes to support for carers, which were initially outlined in the National Carer Strategy.

The first matter is immunisation requirements. The bill will introduce a measure to amend the family assistance legislation to make payment of the family tax benefit part A supplement conditional upon a child meeting immunisation requirements. These changes apply to the income years in which a child turns one, two and five years. Consequently, provision of maternity immunisation allowance will cease from 1 July 2012. The Labor Party contends that this measure will strengthen incentives for parents to have their children immunised and help improve immunisation rates over time.

The second matter in the bill is the baby bonus. This measure will pause the indexation of the baby bonus for three years from 1 July 2012 and it resets the amount of the baby bonus to $5,000 per child from 1 September 2012. I note that currently the amount payable under the baby bonus is $5,437. Effectively, from 1 July this year the
government is reducing the baby bonus by $437, an almost 10 per cent decrease in the baby bonus. In addition to that, it is placing on pause the indexation that would normally occur to the baby bonus over the next three years. What we have in this bill is a direct hit by this government on families having children. This is the largest attack on families and household budgets, and it comes at a bad time for Australian families.

This reduction in support for Australian families needs to be put in context, because it is part of what can be seen as a broad attack on middle Australia. Firstly, we on this side of the House can still recall Labor's attack in the 2008 budget when it introduced a means test on the baby bonus, which limited the bonus to families with an adjusted taxable income of $75,000 or less in the six months after the birth of the baby. Secondly, in the 2008 budget Labor means tested the family tax benefit part B so that any family where the main income earner had income of more than $150,000 lost the benefit. Thirdly, in the following year's budget, in 2009, Labor froze indexation for the full payment of family tax benefits A and B, the baby bonus and the dependent spouse rebate. Labor then announced that from 1 July 2009 the income test for the Commonwealth seniors health card would include income from superannuation streams with a tax source and a salary that is sacrificed to superannuation. They subsequently backed down on this after community outrage. Then, in the 2011 budget, Labor froze indexation for family tax benefits A and B supplement payments. Then we had the flood levy: those earning over $100,000 pay 0.5 per cent of taxable income in excess of $50,000 and one per cent of taxable income in excess of $100,000. At the same time, childcare costs are continuing to go through the roof for families around Australia. This is the context of this latest attack on families in Australia.

On the government's own figures, under the carbon tax, which will come in from 1 July this year, there will be an immediate 10 per cent increase in electricity prices and a nine per cent increase in gas bills. That comes on top of the fact, as I have pointed out in previous debates, that over the last four years across Australia electricity prices have gone up by 61 per cent and gas prices by 37 per cent. We have also had health costs go up by 20 per cent, education costs by 24 per cent, and even rent costs have gone up in excess of 20 per cent. All of this is a direct attack, a direct hit, on the families of Australia, and there is no end in sight. The Prime Minister's own figures in her 'carbon Sunday' documents show that more than three million Australian households will be worse off, and these are not rich people. A teacher married to a shop assistant will be worse off under the government's package, even on the government's own figures. A policeman married to a part-time nurse will be worse off on the government's own figures, thanks to the carbon tax. A single-income family with a child—again on the government's own modelling—starts to be worse off from below average weekly earnings. And now we have the government's attack on the means test on the private health insurance rebate.

However, let me return to the bill at hand. There is a provision for nonentitlement to family tax benefit on an estimated income basis. This measure will prevent an individual and, where one exists, a partner from being entitled to family tax benefit part A and/or part B as fortnightly instalments on the basis of estimated income where the individual had no actual entitlement after underestimating their income for two consecutive years starting from 2009-10. As stipulated in the National Carer Strategy, the bill gives certain carer allowance recipients who care for a disabled adult access to
bereavement payments on the death of the key receiver. A second measure from the National Carer Strategy will allow access to carer supplement for those carers whose rate of payment is reduced to nil because of income earned by them, or their partner, in the fortnight covering 1 July in any given year. The government claims this will help ensure the income support system does not act as a disincentive to carers working in paid employment. Other amendments are also made to family assistance law and social security law to clarify various provisions. Those amendments are of a minor technical nature.

The government have lost the trust of the Australian people of this country. We have a distrusted, desperate and, indeed, dysfunctional government in Australia. They stand condemned for their relentless attacks on families and their household budgets. This is just the latest example—an almost 10 per cent reduction in the baby bonus immediately, which is carried through by the pause in indexation. This directly affects the budgets of Australian families who are already facing higher living costs throughout this nation. I move a second reading amendment to the bill and commend it to the House:

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

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

(1) notes that the Government has made the decision to pause indexation and reduce the Baby Bonus at a time when Australian families are facing increasing cost of living pressures; and

(2) calls on the Government to immediately acknowledge the serious impact that this bill will have on Australian families who will have their Baby Bonus payments reduced or eroded."

Ms OWENS (Parramatta) (17:02): I stand to speak on the Family Assistance and Other Legislation Amendment Bill 2012. I am not surprised to hear the opposition take such a position when it comes to savings in the budget. Savings are something that good governments make, particularly when in many of these areas the increase in funding over the last four years has been so substantial. It is a normal part of good government to review funding from time to time and make adjustments as necessary. There are some savings measures in this budget and a good government does not walk away from the need to make those savings.

The first element of this bill involves immunisation requirements for children. Currently, families are required to have their children fully immunised in order to receive childcare benefit and childcare rebate. There are exemptions in place for families that wish to conscientiously object, and those exemptions will continue to apply. This amendment extends that approach of using government subsidies to encourage families to do the right thing by their children by requiring that families have their children fully immunised in order to receive family tax benefit part A end of year supplement. This mechanism will replace the existing supplement which is paid on immunisation at the ages of two and five. These new requirements will be implemented at one-year-of-age, two-years-of-age and five-years-of-age, meaning that there will be three checkpoints for families. There will be an incentive of more than $2,100 for families that ensure their children are fully immunised.

We have worked quite considerably on the health of children. In recent years, we have allocated $25.6 million for the Healthy Kids Check, which supports families who want their four-year-olds to get a health assessment through their GP. Between 1 July
2008 and 31 March 2011 there were about 126,800 health checks delivered, which means that about 16 per cent of Australia's population of four-year-olds have received a health check through this mechanism. Between 1 July 2008 and March last year about $7.8 million was paid in Medicare rebates under the Healthy Kids Check. This extension of the requirement that families have their children immunised in order to receive childcare benefit through family tax benefit part A should ensure that a greater proportion of our children are immunised. This is a substantial improvement in the system and part of a longer term plan to which this government is committed to increase the health of our children.

The second element of this amendment concerns the baby bonus for babies born on or after 1 September 2012. The rate of the baby bonus will be reset to $5,000 and indexation will be paused from 1 July 2012 to 1 July 2015. The government is a very strong supporter of the family payment system. We have introduced paid parental leave, we have increased the childcare rebate from 30 per cent to 50 per cent and, from 1 July, we will increase family payments for teenagers by up to $4,200 a year. Through the Paid Parental Leave scheme, eligible working parents are paid up to 18 weeks of government funded parental leave at around $590 a week before tax, and nearly 130,000 families are receiving paid parental leave. This amendment freezes the indexation of the baby bonus for a three-year period. It is a substantial saving, but it comes on top of around $20 billion of family payments the government will make this year. Another substantial part of this amendment covers the carer allowance and the carer supplement. Currently a carer will receive a bereavement allowance under those tragic circumstances when a child passes away, but they are not entitled to that allowance if they care for a disabled adult and that disabled adult passes away. It is a rather sad state of affairs at the moment: a child is your child, whether they are 12, 18, 30 or 50. This amendment extends the bereavement allowance to a carer whose adult child passes away. This is a very good amendment and one that should have been made a long time before today.

This amendment also acknowledges that carers play a significant role in the community and that sometimes they combine paid employment with their caring responsibilities. Currently a carer does not receive the annual carer supplement of $600 for each person they care for if they work for a part of the year and if, due to the income test, their income or their partner's income reduces the rate of payments to nil during that period. Caring for a person with a disability is a very complex role at any time. We all know that the needs of the one who is cared for may vary over time, as may the family's capacity to care. A carer may move in and out of the workforce around the capacity of other family members or around the needs of the one that they are caring for. It can happen that a carer can take part-time work for a period of time and then not work for a period. If there is any group in our society that needs the maximum amount of flexibility to make their life work it is this extraordinary group of people who care for people with disabilities.

This amendment does some things that are quite significant: it acknowledges the need for flexibility in the life of a carer and it helps to ensure the income support system does not act as a disincentive to carers who work in paid employment during an instalment period that includes 1 July. If the carer qualifies for a carer payment, wife pension, partner service pension or carer service pension, the carer supplement will still be paid even if their income, or their partner's income, rises above the allowable
threshold due to part-time employment in that period. It sounds quite technical, but essentially it removes the disincentive for a carer who moves in and out of paid work to make the absolute best life they can. I am very pleased to see those two amendments relating particularly to carers. The first extends the bereavement payments to carers who tragically lose an adult child that they care for and the second increases flexibility for carers by allowing them to either work part time or for periods of time in the year without losing the carer supplement.

These important bills deal with savings. As I said at the beginning of my speech, this is not something we should walk away from. Governments have a responsibility to review their spending commitments, as we did this year at MYEFO in particular. They are important savings. They build on strong growth in our support for young children, our support for parents and our support for carers. I commend the bills to the House.

Mr TUDGE (Aston) (17:11): I rise also to speak on the Family Assistance and Other Legislation Amendment Bill which is before us. This bill enacts a number of measures, but there are two in particular that I would like to speak on. The first is immunisation requirements and the second concerns the baby bonus.

This bill, if enacted, will make family tax benefit A and B conditional on a child meeting the immunisation requirements and the second concerns the baby bonus. This bill, if enacted, will make family tax benefit A and B conditional on a child meeting the immunisation requirements. This is a good measure, which fits within a general principle that should be applied more broadly—that is, that family entitlements and welfare payments are not just rights; they also come with responsibilities.

We should also be looking more broadly at what other responsibilities should be attached to welfare payments. For too long, people have seen welfare payments as being a right which comes unencumbered, as free cash for individuals, rather than saying that this is something which the Australian taxpayer provides to those individuals and that those individuals have responsibilities in exchange for receiving that welfare assistance. That principle is being rolled out in some Indigenous communities across Australia as we speak. For example, in the communities of Cape York, which I know well, there are now four conditions attached to welfare payments. There are conditions around sending your child to school, around being free from police orders, around looking after your public house and there is also a fourth condition in relation to violence. I think they are good conditions. They fit within that broad principle and this measure in front of us fits within that principle as well.

Let me turn to the baby bonus, which is the other provision in this bill and which I would like to refer to. This measure will reduce the baby bonus to $5,000 and it will also remove any indexation of the baby bonus—that is, the bonus will be reducing in real terms from now on. I do not want to comment this afternoon on the merits of the baby bonus, nor do I stand here necessarily opposing this particular provision. But I would like to use the opportunity to point out that this measure is just another hit for young families, who are doing it particularly tough at the moment from a cost-of-living perspective. If this were the only measure that the Labor government was putting into place which would hurt young families then that would be one thing, but it is not. In fact, this measure comes on top of measure after measure which hit young families and increase the cost of living for them. I would like to go through some of those with you.

Members on this side of the chamber are fully aware that cost-of-living pressures for young families is one of the top issues. They raise it with us when we are in churches, at
school fetes, at the local football grounds et cetera. Everyone is saying that the cost of living is going up well in excess of their wages and well in excess of the CPI. They point out that it is not the luxuries which are going up most rapidly. It is actually the bare essentials, such as electricity, water, education and child care, which are going up most rapidly, well in excess of their wages. If you look at the official statistics you will see that they bear out this anecdotal evidence which I certainly hear and other members on this side of the chamber also hear. Water, for example, has gone up 46 per cent since 2008. Electricity prices have gone up 50 per cent since 2008. Gas has gone up 30 per cent since 2008. Medical expenses have gone up 20 per cent since 2008. And I could go on.

There are many reasons why prices go up. Of course there are supply and demand issues which contribute to prices of everyday goods going up over time. But my critique of this government is that it is their policy settings which are having a significant contribution to increasing those prices for everyday Australians and everyday families. To start with, their macro policy setting is having an impact because, when you run an enormous budget deficit, as this government has been doing, that puts upward pressure on prices and upward pressure on interest rates. We now have had budget deficits of well over $50 billion in the last couple of years. This year it is forecast to be $37 billion, although what the final figure will be when we come to 30 June remains to be seen. We now have a net debt figure of $136 billion. This fiscal strategy of running a massive budget deficit, the biggest budget deficit in Australian political history, puts upward pressure on prices and interest rates, which makes it harder for young families. That is at the macro level.

Now let us look at the particular measures which make it more difficult for young families. Let us look at some of the particular policy measures. I have mentioned electricity prices before. Some of their 'inefficient' energy renewable schemes are contributing to the increase in electricity prices. But we all know what is coming, which they have put in place and which starts on 1 July of this year—and that is the carbon tax. That will increase electricity prices by 10 per cent in the first year alone according to the government's own figures. If you listen to the electricity suppliers they will tell you that they will go up by 20 per cent in the first year alone. And then the carbon tax is legislated to increase every single year thereafter. It is legislated to increase. So while we might be starting with a 10 or 20 per cent increase in electricity prices, it will then go up even more in subsequent years. Let us look at gas. Gas is another essential service which many parents are saying is going up. Gas prices are due to increase by nine per cent due to the carbon tax.

I have talked about child care in this chamber before. It is something which many young families need, particularly if both parents are attempting to work. This government last year put through measures which are forcing up childcare expenses for young families. A measure which they put through mandated that the ratio for childcare centres must be four children to one staff member rather than five to one, which it is currently. All that will do is increase the cost of child care. There is no research or evidence which says that is necessarily better for the children. Even if there were, why does the government have to intervene in this regard? Why can't parents and childcare centres themselves agree that five to one is okay. The Productivity Commission have looked into this particular issue and they are telling us that childcare prices will go up by 15 per cent due to this measure. That is often $50 or $60 per week for someone who is
putting their child into care. I have a childcare centre in one of the poorer areas of my electorate where it has gone up by 21 per cent.

Health care is another area where the government's measures will mean prices will go up. Their changes to the private health insurance will put up the price of private health insurance across the board by 10 per cent, according to Deloitte, and higher for many families who are more directly impacted by the changes.

I talked about school costs before. With the Gonski review in place and the failure of the government to guarantee that they will maintain the indexation rate for school funding, that will mean that school funding may decline for many schools and that fees will have to go up—another hit for families who are struggling with cost-of-living pressures. I have talked about the macro level and I have talked about the individual initiatives which are putting up prices for everyday families. On top of that, it is reducing benefits. The member for Menzies went through some of the benefits which the government has targeted in recent years. They include the changes to family tax benefit parts A and B, which have been frozen for many families. In my electorate alone they affect about 10,000 households. There have also been tax increases. I believe that this government has put in place 21 tax increases since it was elected. We know about the alcopops tax, we know about the cigarettes tax and we know about the carbon tax, but there are even measures such as that getting rid of the entrepreneurs tax offset, which provided a little bit of tax relief for those individual entrepreneurs earning less than $75,000.

If you look across the board at what this government is doing to the cost of living for families, you will see that (a) it has not got its macro settings right, which puts upward pressure on all prices and on interest rates; (b) it is putting in place individual measures which in many cases are increasing costs for health, child care, electricity, gas and other things; (c) it is reducing benefits for families—the measure in front of us today is another one of those benefits which has been reduced; and (d) it is increasing taxes on things which people enjoy, such as cigarettes and booze and on small businesses that are struggling to make ends meet.

This government has scored the quadrella of hitting young families. The measure in front of us is just another one of those things which go towards making it more difficult for young families who are struggling with cost of living pressures today. We will not be opposing this bill, but it is worth pointing out that this government is making it tougher for young families. It needs to do exactly the reverse and make it easier for young families, to take the pressure off so that families can get on with things and improve their quality of life.

Ms Macklin (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (17:24): I thank the House for its indication that it will be supporting this legislation. The bill implements the government's changes to family payments that were announced in the Mid-Year Economic and Fiscal Outlook. It also introduces the improved support for carers that was outlined in the government's National Carer Strategy.
Firstly, the bill delivers stronger incentives for parents to have their children immunised, by linking family tax benefit part A end-of-year supplement with immunisation, in place of the existing maternity immunisation allowance arrangements. Immunisation is fundamentally important to the health of a child throughout its life and to the health of other children in the community. The government wants to make sure that children have the best start in life and are immunised at the right time. From 1 July 2012 the family tax benefit part A end-of-year supplement, which is currently set at $726 a child each year, will only be paid once a child is fully immunised for the financial year a child turns one, two and five years of age. As a result, over the three immunisation checkpoints of one, two and five years of age, families will have an incentive of more than $2,100 to ensure that children are fully immunised. This initiative aims to improve immunisation coverage rates over time, giving greater protection to Australian children and continuing the government’s reforms using family payments to help drive better outcomes for families and children.

Secondly, the bill will help make sure that the baby bonus, an important part of our targeted family payments system, is sustainable for the long term. Under the amendments, the indexation of the baby bonus will be paused for three years from 1 July 2012, and the payment rate will be reset to $5,000 per child from 1 September 2012. The baby bonus has increased by 67 per cent since it was introduced in 2004. This measure will provide a saving to the budget of $358 million over four years.

Thirdly, the bill will improve the targeting of family tax benefit and reduce the risk of debts by ending fortnightly family tax benefit instalments for recipients who claim family tax benefit but are found to have no actual entitlement for two consecutive years following the end-of-year reconciliation with their income tax return. Families will still be able to make a lump sum claim at the end of the financial year instead of receiving instalments. Exceptions will apply so that families are not put at risk of hardship.

Through the National Carer Strategy, announced on 3 August 2011, the government is committed to improving carers’ opportunities to take part in all aspects of society, including the chance to participate in work, community and family life. This bill provides the legislative support for two elements of that commitment. One amendment addresses the situation of certain carers who combine paid employment with their caring responsibilities. These carers currently cannot receive the annual carer supplement, set at $600 a person that they care for, if, due to the income test, their or their partner's income has reduced their rate of payment to nil during a period that includes 1 July. This bill preserves a carer’s entitlement to their carer supplement in that situation, and so reduces the disadvantage and uncertainty the carers or their partners who may be offered extra employment in the period that includes 1 July. A second amendment for carers will make sure that a low-income carer receiving income support payment as well as a carer allowance for care of an adult will be paid a bereavement payment on the death of the person they care for.

Once again, I thank the contributors to the debate this afternoon, and also thank the House in anticipation of the support it will provide to these important measures.

The SPEAKER: The immediate question is that the amendment moved by the member for Menzies be agreed to.
The House divided. [17:33]

The Speaker—Hon. Peter Slipper

Ayes....................68
Noes....................72
Majority..............4

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Question negatived.

The SPEAKER: The question now is that this bill be now read a second time.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (17:41): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Corporations Amendment (Phoenixing and Other Measures) Bill 2012
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Mr HOCKEY (North Sydney) (17:42): I rise to speak on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. The bill gives the Australian Securities and Investments Commission significant new and broad discretionary powers to place a company into liquidation. These powers can be used where a company is six months late responding to a compliance notice, the company has not lodged other Corporations Act documents in the preceding 18 months, ASIC has no reason to believe the company is carrying on a business and no objection to liquidation is received from directors. The powers can also be used where a company's review fee has not been paid within 12 months, or where a company has been reregistered in the preceding six months, and ASIC has reason to believe it is in the public interest to place the company into liquidation.

The bill also alters the publication requirements of corporate insolvency notices to allow for publication on a single ASIC-administered website. We see this as a good initiative. Finally, the bill establishes a duty for receivers, administrators and liquidators to notify the secretary of FaHCSIA—yet another extraordinary acronym for a department under this government—on their appointment to a company that is a paid parental leave employer.

This bill was introduced to the House of Representatives on 15 February 2012. The next day the bill, appropriately, was referred to the House of Representatives Standing Committee on Economics as the coalition had raised significant questions relating to the legislation, such as how the bill addresses phoenix activity and how current legislation in the area is being utilised. This inquiry would have provided answers for the coalition and certainty for Australian business and it would have been a platform for interested parties to get a greater understanding of how ASIC is dealing with this issue. On 27 February 2012, the chair of the House of Representatives Standing Committee on Economics, the member for Parramatta, said:

The committee has decided not to inquire into the bill and recommends that the House or the Federation Chamber consider the bill forthwith.

So the government is intent on and determined to avoid committee scrutiny of the legislation. It is not as if this is the carbon tax or the GST, or anything else. This is a bill that goes to the regulatory burden associated with doing business in Australia. If a parliamentary committee under the member for Parramatta has not got the guts to do that sort of analysis then it says something about why this government is in so much trouble with the Australian people and the level of regulation is so burdensome for business.

Of course, this is not the first time and it will not be the last time the government have been embarrassed by this piece of legislation. Treasury issued an exposure draft of this legislation in the week prior to Christmas with submissions open over the Christmas and New Year holiday period, and closing five weeks later on 24 January 2012. Having just had a brief read of George Megalogenis's book, I understand the chaotic decision making of the Rudd government and the determination to make big decisions on Christmas Eve but surely, when it comes to the powers of ASIC and matters relating to phoenix company activity, having the only consultation period over the five weeks prior 24 January 2012 is incompetent and represents another affront to the common-
sense approach that we have always previously had on these sorts of bills.

It is no surprise that when the coalition members referred the bill, the Labor controlled House economics committee used its majority numbers from the Labor Party to block an inquiry into the bill. Whenever the coalition wants to scrutinise the decisions of government, the government stands in the way. This is a government that is not prepared to expose its legislation to full and frank scrutiny.

The coalition shares the concern of peak industry groups about phoenix activity. Fraudulent phoenix activity occurs where company assets are transferred from a company with significant debts to a company with no debts, where there is a connection between both companies and for the purposes of depriving unsecured creditors from equal access to its assets. Phoenix activity is obviously a clear and present problem in the Australian economy. Phoenix activity is estimated to cost the economy $2.4 billion a year and is harmful to suppliers, contractors, customers and employees. It damages prosperity and economic confidence and has a particularly harmful impact on small businesses that are suppliers to those companies.

Dun and Bradstreet research reveals that 29 per cent of companies that became insolvent in 2009-10 had one or more directors previously involved with a wound-up entity compared to just 10 per cent during the 2004-05 financial year. The coalition shares the view of the government that phoenix activity is an immoral act. The government should do all it can to stamp out this practice, but it must do so without punishing the wider business community with more regulation and more red tape. Reducing phoenix activity requires specific and targeted policy, not the knee-jerk and ad hoc approach to reform favoured by the Gillard government.

The coalition are deeply sceptical of extra regulation being placed on business. We are concerned that the tranche of legislation relating to curbing phoenix activity will not achieve its stated aims. Instead of curbing illegal phoenix activity, it could have, and may well have, the unintended consequence, or rather the intended consequence, of curbing business activity that is not fraudulent. You have to wonder what Labor are thinking.

The coalition are entitled to ask serious questions about the bill. It is up to the government to make the case for increased powers and the case for why ASIC is best placed to regulate this behaviour. The government must show the deficiencies in the current Corporations Law and justify the extra powers. The coalition believe the powers which ASIC currently have together with the powers of liquidators under the Corporations Act are sufficient to deal with the problem of phoenix activity. Under the Corporations Act, directors already currently face significant responsibilities and ASIC’s enforcement mechanisms are vast, including disqualification of directors for up to five years and even longer with a court order. This means there are options already available for ASIC to penalise directors who engage in fraudulent phoenix activity.

The government have not established whether current protections against phoenix activity are working or not. This, among other reasons, is why the bill deserves scrutiny by the House economics committee. Unfortunately, the second reading speech by the parliamentary secretary does not shed light on the government's motivations behind this fundamental change in the Corporations Law nor the imperative for change. The
measures go well outside simply targeting phoenix activity.

Part 1 of schedule 1 relating to the winding up of a company by ASIC applies to all companies, not just one suspected of phoenix activity. If this bill is truly intended to curb phoenix activity then the changes should only be triggered when fraudulent phoenix activity is suspected. The government should be considering other options. As a starting point, the government should consider the proposals paper on combating phoenix activities released in November 2009 by Nick Sherry, then Assistant Treasurer—one of five Assistant Treasurers in the short history of this Labor government. Of the 11 proposals for combating phoenix activities in that proposals paper, none are reflected in these new ASIC powers. While there is universal agreement that phoenix behaviour is unacceptable, there has been no attempt to define phoenix activities in the areas of this legislation.

Mr Peter Strong of COSBOA agrees that the behaviour of phoenix activity is unacceptable but condemns the general government’s response to the behaviour. He said:

Let me say that the behaviour of those people is appalling and it makes it hard for everybody else in business. It is not just the fact they are doing it which is wrong—and it is wrong—but they are making it harder for everybody else, giving us a bad reputation and creating the opportunity for bad press. I think we need to spend more time chasing those people rather than chasing everybody and making life difficult for everybody.

This concern is shared by Professor Bob Baxt, Chairman of the Law Committee of the Australian Institute of Company Directors, who says:

There is too much legislation introduced on the basis of, ‘It's a good idea; let's do something and we will see where it takes us … For the phoenix company and the phoenix director, there are processes in place which suggest that the regulator has the power to deal with them. Why should all of us be subject to those rather burdensome laws just because there are one or two who may have escaped the safety net?

The coalition calls on the government to define phoenix activity so as to properly assess the impact of the legislation on Australian business. Australian business can hardly be required to comply with legislation where the central behaviours are not defined.

We view this legislation as bad legislation because it fails to properly address the specific problems faced by Australian business, and the government has got its reaction wrong. Despite a Senate inquiry and assurances from the ATO and ASIC that both were cracking down on phoenix companies, and despite new tax office powers to demand security deposits from suspect businesses to combat fraudulent phoenix activity, the illegal practice is reportedly continuing to flourish.

Treasury, the ATO, ASIC and industry groups have identified a range of factors which contribute to the extent of phoenix activity, including regulators not fully utilising the existing powers available to them, a lack of prosecutions, under-resourced regulators, insufficient follow-up on complaints and inadequate penalties to act as a deterrent. The government has failed to outline a coherent strategy for tackling phoenix activity to protect suppliers, contractors, customers and employees, and it damages prosperity and economic confidence, as evidenced by, for example: (1) the failure to define phoenixing in the bill; (2) the lack of evidence about how additional powers will better enable ASIC to tackling phoenixing; (3) ongoing concern about regulators not utilising current powers to investigate and take action on phoenix
activity; (4) previous assertions by the government that other actions and previous expansions of regulator powers and penalties would be effective; and (5) the absence of any recognition of the role and capacity of liquidators in tackling phoenixing.

This bill deserves extra scrutiny. Declining a House economics committee inquiry makes a complete mockery of Gillard's promise to 'let the sun shine in' on parliament. The coalition will oppose this bill in the House and we will oppose it in the Senate, pending a thorough and meticulous investigation by the Senate Economics Legislation Committee. This bill deserves the scrutiny of parliament and of the tried and tested committee system. Labor cannot continue to hide from their bad legislation.

This is yet another example of Labor incompetence. The Gillard government's response is yet another example of its preference for blanket over-regulation that strangles enterprise and prohibits good people from getting on with their job rather than the effective enforcement of existing laws and using existing powers and, where appropriate, seeking additional specific powers to deal with things that cause harm, such as phoenixing.

Ms OWENS (Parramatta) (17:56): What an extraordinary contribution! I can only come to the conclusion that the shadow Treasurer is speaking on the wrong bill. This bill, the Corporations Amendment (Phoenixing and Other Measures) Bill 2012, does not go into the issue of penalties for directors. There was another bill before the House of Representatives Standing Committee on Economics last year, which the committee inquired into, which did involve directors penalties. The committee, in its recommendation suggested that those provisions—

Mr Hockey: I didn't say that; you weren't listening!

Ms OWENS: Well, as far as I am concerned, you were talking on the wrong bill—and I would appreciate if I could continue—

The DEPUTY SPEAKER (Mr S Georganas): Order! Comments will be directed through the chair.

Ms OWENS: The committee recommended that those sections be removed from that bill at the time and be considered further, which they are being. This particular bill involves other matters, and they are really quite specific and are not the subject of much that the shadow Treasurer was talking about at all. I would suggest to the shadow Treasurer that—even though I cannot in this House, without breaching the privilege of my committee, respond to his allegations about what the committee may or may not have been doing—before he makes any more allegations he might actually like to talk to the members on his committee and find out what actually did happen, because, again, I think he is talking about the wrong bill. But far be it from me to suggest that the shadow Treasurer should actually do some work before he comes into this House and makes such ridiculous statements.

This bill actually involves two very specific changes. The first one gives ASIC additional powers to intervene in cases where the directors have abandoned a company—walked away from a company, not bothered to wind it up properly but simply walked away and abandoned it. The implications for workers when a company does that are such that the workers are not entitled to access the government's General Employee Entitlements and Redundancy Scheme—commonly known as GEERS, and I will refer to it by its short name from now on to save us all! At the moment an
employee would have to go to court and incur legal costs in order to access GEERS. This, of course, is not fair. The Prime Minister, in the election campaign, made a commitment to protecting workers' entitlements, and this is very much a part of that process.

The bill allows the Australian Securities and Investments Commission to wind up a company where it has been abandoned by its directors. Specifically, the bill will provide ASIC with the following discretionary powers: the power to place a company into liquidation in circumstances where ASIC currently has the power to deregister the company; the power to reinstate any deregistered company and immediately place it into liquidation; and the power to place a company into liquidation where ASIC has reason to believe that the company is no longer carrying on its business. If the company has been abandoned, but has not yet been deregistered, employees or ASIC currently have to apply to the courts and incur legal costs in order to place the abandoned company into liquidation before they can access GEERS. In cases where companies have simply been abandoned by their directors, this bill allows employees, through the process of ASIC placing the company into liquidation, to access the GEER Scheme. This is a significant improvement for many, many workers around the country who find themselves, through no fault of their own, unable to access their legitimate entitlements because of the operations of a phoenix company.

The second part of this bill involves the placement of insolvency notices. It implements part of the government's insolvency reform package by facilitating the establishment of a single online insolvency notices website. The Attorney-General and the parliamentary secretary announced the government's insolvency reform package back in December 2011. The package included a proposal to do just this—to require insolvency notices to be posted to a new website to be established as part of the ASIC website from 1 July 2012. The current requirement is that insolvency notices are placed in newspapers and gazettes in a prescribed manner, but forthcoming regulation will require this to be via the ASIC website.

This represents a substantial saving and reduction in administrative burden for creditors and for companies. The establishment of the insolvency website will replace around 53,000 newspaper advertisements over the next four years, making it easier for creditors to access information. The regulations will set a lodging notice on the ASIC website, but the reduction in the number of advertisements is expected to save the industry around $15 million over the next four years. There are, of course, also significant costs to the external administration in complying with the current requirement that the advertisements be placed in newspapers. These costs are ultimately borne by creditors through reduced returns. There are also costs to the creditors in monitoring the numerous newspapers for relevant notifications. So it is a substantial simplification of the current process, a reduction in the administrative burden for people who find themselves dealing with companies that go into liquidation, and a substantial saving in costs. These are both very good reforms. In some ways they are technical reforms, but they are reforms that have substantial outcomes.

I will go back to some of the comments that the shadow Treasurer made. His comments were about phoenixing more generally. Of course this piece of legislation does not deal with the entire phoenixing behaviour. Of course this legislation does not involve all of the changes that need to be
made in order to reduce phoenix activity and protect consumers and creditors from that activity. Of course there is other work to be done. It is ridiculous to assume that any particular legislation, particularly a technical bill like this, would be everything.

But—again I make the remark—most of the comments of the shadow Treasurer did not relate to this bill at all. In fact, he had very little to say on this bill. That is a shame because I think, for many workers out there who already have found or will find themselves the victims of phoenix activity, this first amendment that allows ASIC to intervene when a company has been abandoned will be of great benefit to them. I would have expected even the opposition to be in batting for workers who find themselves in those circumstances, so it is a very real shame that the shadow Treasurer has decided to make some political points on a bill that is not even before the House rather than deal with the really important elements in this one. I commend the bill to the House.

Mr BUCHHOLZ (Wright) (18:03): I rise to speak on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. Predominantly it is broken up into two sets of measures. The first set of measures contained in this bill strengthens the powers of the Australian Securities and Investments Commission to place companies into liquidation. The second set of measures in the bill seeks to facilitate future requirements of public notices in corporate internal administrations to be published on a single, publicly available website.

This bill is meant to enhance the ability of the Australian Securities and Investments Commission to combat phoening activity. The bill gives ASIC significant new discretionary powers to place a company into liquidation. These powers can be used in a range of circumstances. If a company is six months late in responding to a compliance notice and has not lodged other Corporations Act documents in the preceding 18 months, ASIC has the capacity to wind it up. If ASIC has no reason to believe a company is carrying on a business and no objection to liquidation is received from the directors, if a company's review fee has not been paid within 12 months or if a company has been reregistered in the preceding six months and ASIC has reason to believe that it is in the public interest to place the company into liquidation, ASIC has the capacity to wind it up.

The bill also alters the publication requirement of corporations' insolvency notices to allow for publication on a single, ASIC administered website. Finally, the bill establishes a duty of receivers, administrators and liquidators to notify the Secretary of FuHCSIA upon their appointment to a company that is a Paid Parental Leave employer.

Phoenix activity occurs when the directors of a company deliberately misuse the corporate form with the intention of denying unsecured creditors access to the assets of the company in order to meet their unpaid debts. Typically, the activity is associated with directors who transfer the assets of an indebted company into a new company of which they are also directors. The directors then place the initial company into administration or liquidation with no assets to pay employees' entitlements or to pay creditors or the tax office and then carry on merrily conducting business in the new company structure.

It costs the economy billions of dollars a year and, despite a multitude of reforms in the past few years, phoenix activity remains strong. Research from Dun and Bradstreet reveals that 29 per cent of companies that
became insolvent in 2009-10 had at least one director who was previously involved with a wound-up entity, compared to just 10 per cent during the 2004-05 financial year. The coalition does not support the activity of phoenixing, where businesses break the rules to profit for themselves at the expense of employees. There is no way that the coalition supports that type of behaviour. However, we do have concerns with the way in which this bill presents more powers to ASIC to administer, and we do not believe it will meet its objectives.

According to the Australian Taxation Office, there are about 6,000 phoenix companies in Australia and 7,900 to 9,000 directors who will have personal liability under this legislation. Why is it that, with the powers that already exist with the tax office and ASIC, these companies are able to walk in the very next day and get a new tax file number? From a business perspective, it beggars belief that they can do that. There are so many tools available to departments, to government, to prohibit this. The measures that are being put forward in this bill to try to curb phoenixing are like using a sledgehammer to break a walnut. If we just applied some common sense to this, we would get a far more effective outcome. I have asked this question of the Treasury and the tax office, and no-one can answer me. I find it difficult to comprehend.

Phoenix activity was first exposed in 2001, during the Cole Royal Commission into the Building and Construction Industry, which uncovered at least 18 cases of it. Since then, it has been identified in several other industries, most notably in property, information technology, telemarketing and other labour-intensive industries. Of course the coalition is strongly opposed to these kinds of fraudulent activities and supports all measures to stamp it out. Phoenix activities can have a significant impact on suppliers, contractors, customers and employees who are denied their entitlements and, if unchecked, can erode the reputation of the Australian business community and reduce confidence in our world-class corporate regulatory framework. However, it is disappointing to see the government approaching this issue in their customary ad hoc and confused fashion. As Australia’s corporate regulator, ASIC have a rightful role to play in properly overseeing and enforcing existing legislation, but their application of rules and regulations needs to be properly scrutinised by parliament to ensure it is being done in accordance with the original intent of the legislation. My concern is that this bill does not allow for the appropriate parliamentary scrutiny of the new powers provided to ASIC.

One of the major contributing issues to phoenixing activity is that the regulators are not fully utilising the existing powers available to them. Other issues include a lack of prosecution, underresourced regulators, insufficient follow-up on complaints, and inadequate penalties to act as a deterrent. In this context, the case for additional new ASIC powers seems exceptionally flimsy. It often seems as if every second bill that comes through this place somehow involves increasing the size of the bureaucracy in one or more government departments, putting more bureaucrats on the ground. Whatever the reason may be, if ASIC are not currently utilising the powers already available to them then it is pretty hard to understand why they need more. Why does this bill strengthen ASIC’s powers when they are already underutilising the powers that are available to them? We fundamentally believe that that part of the bill is flawed.

The coalition is also concerned that the government seems to be taking an ad hoc approach to the targeting of fraudulent phoenix activity by introducing many pieces...
of related legislation in a thoroughly uncoordinated manner. By way of example, I refer to the current bill and the previous bills, which were heavily criticised in the House of Representatives Standing Committee on Economics.

On this side of the chamber, it is our belief that the government has failed to outline a coherent strategy for tackling phoenix activity. This is evidenced by the failure to define ‘phoenixing’ in this bill. I challenge anyone to find, in any of the government paperwork, what the definition is. If you look hard, you may find a legal definition on the ASIC website, but that is about the only place where it starts to get serious about what the definition of phoenixing is. The government's failure to outline a coherent strategy is also shown by the lack of evidence about how additional powers will better enable ASIC to tackle the problem; ongoing concerns about the regulators not using current powers to investigate and take action; previous assertions by the government that other actions and previous expansions of regulatory powers would be more effective; and the absence of any recognition of the role and capacity of liquidators to tackle the problem. For these reasons, I believe the most appropriate course of action for the government is to withdraw the current bill and instead engage in some meaningful consultation to address the completely legitimate concerns of the relevant stakeholders. Only then will it be in a position to take a suitably coordinated legislative approach to what we all agree is an extremely serious matter of public policy.

As a minimum starting point, the government ought to consider the proposals paper on combating phoenix activities released in November 2009 by the Hon. Nick Sherry, who was at that stage the Assistant Treasurer. May I add that, in the short time between then and now, we have seen five Assistant Treasurers. There were 11 proposals for combating phoenix activities in that proposals paper. None are reflected in the new ASIC powers—not a single one. It stands to reason that the 11 proposals would be a good place for the government and the new Assistant Treasurer, whoever it is—possibly we will find out tomorrow or the next day—to start when they go back to the drawing board. If the government fail to see the sense of going back to the drawing board, this bill at the very least needs to be thoroughly examined in the Senate Economics Legislation Committee.

Let us be clear about this. The problem is not going to go away, because business conditions at the moment are some of the worst I have ever seen. Small business start-ups last year were down 95 per cent. How is that for business confidence, Mr Treasurer? Analysis by Dun and Bradstreet found that business failures last year were up 40 per cent, and CEO Christine Christian is on the record as saying that Australian business failures have trended steadily upwards since 2008, growing more than 30 per cent over the last three years. This coincides with Dun and Bradstreet's downgrades during the December quarter of more than 128,000 firms that are likely to experience more financial distress over the coming 12 months.

When we talk about downgrading business confidence and the increased potential of phoenix activities as businesses continue to find it hard to make a living, I find it incomprehensible that every day when I walk into this place the opposition are constantly browbeaten by the Treasurer and the frontbench on the strength of the economy and how great things are. I encourage those members of the frontbench who want to take that line about the strength of the economy to go have a chat to some businesses when they return to their electorates. I had the opportunity to speak
with one of my electorate's business owners the other day. He employs 80 blokes in fruit and vegie transport, and he said to me: 'Scotty, I have never seen it so tough. The banks are squeezing us. I've been around the industry a long time and I have never seen it as tough as this.' There is quite a contrast between the story we hear in parliament and what is being said out there on the street.

It is this type of economic climate where we are likely to see an increase in the amount of phoenix activity as more and more businesses get into financial difficulty. This is not to defend the actions of the fraudsters who try to skate away from their creditors; it is simply to acknowledge the true potential magnitude of the problem. For that reason, it is crucial that we get this right. It is vital that we protect those small operators, contractors and employees who tend to be the victims of phoenix activity. In its current draft, I am convinced that this legislation is not up to the job. I have some other issues that I want to raise, but I am going to run out of time.

Mr Ripoll: No, go for it.

Mr BUCHHOLZ: Go for it? I briefly touched on this earlier—that is, the government's position with reference to phoenixing with the powers available to them that already exist. In wrapping up, we have 6,000 known phoenix operators. The government can put a number on them, so we know how many there are. We also know there are 7,500 to 9,000 directors involved in phoenixing. So why is it that the department, the government, Treasury, the Australian Taxation Office or ASIC, with the powers that are available to them at the moment, which are underutilised, is allowing these repeat offenders to turn around and start trading the next day by getting access to another tax file number. I just think that it is a simple remedy and the way that the bill presents at the moment, I do not believe that the coalition will be supporting it.

Mr RIPOLL (Oxley) (18:17): It is a pleasure to talk on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. This is a good bill, which is probably overdue in a lot of areas. I understand the anxiety of a number of coalition members—I would be anxious too if I had been in government for 12 years and done nothing about it. It takes a Labor government to come in and start doing the good work that is required, to start taking an interest for the first time in what has been acknowledged as a problem in the business community for many years.

It is a difficult issue: phoenixing takes many different forms. Some people might be listening to this and think that phoenixing does not sound that abhorrent, but it actually is; it is very bad for a lot of people. It is bad for the people who work for those companies, for the people who miss out on their entitlements or in some other way lose their job. It is also bad for the consumers or suppliers or any people related to the business that is shut down and then restarted in another form elsewhere. So it is important that we actually do something about this and that we make some changes to account for what has been an ongoing problem for many years.

I want to thank the Parliamentary Secretary to the Treasurer, Mr David Bradbury, for his good work in this area. When we first got elected to government in 2007, we started to look at some of the issues around business, small business, consumer protection and the Corporations Act in particular to make improvements to strengthen the regulator, the Australian Securities and Investments Commission, to make all those changes progressively in consultation with the industry and in
consultation with stakeholders to make sure that we take on those tough challenges. Mr Deputy Speaker Georganas, you would agree that when it comes to tackling the tough issues, that when it comes to delivering, actually getting these things done, it always seems that it is Labor governments who do these things and not just talk about them, which is what we often see from the other side.

In particular, this bill introduces an administrative process for ordering the winding-up of abandoned companies to facilitate access to the government's General Employee Entitlements and Redundancy Scheme, called GEERS. It also introduces a regulation-making power to prescribe methods of publication of notices relating to events before, during and after the external administration of a company. The bill also makes miscellaneous minor and technical amendments including requiring insolvency practitioners appointed to a Paid Parental Leave employer to inform the Department of Families, Housing, Community Services and Indigenous Affairs, FaHCSIA, of their appointment regardless of whether FaHCSIA is a creditor of the company. So it is a step forward on the complex issue of how to deal with a company that technically fails or shuts down and may or may not re-emerge.

These are sometimes difficult questions and many people have deliberated over these issues for years and not been too sure where to begin. Mr Deputy Speaker, I can assure you that this Labor government does know where to begin, does know how to respond to what is clear market failure in areas, including the abuse of consumers and workers, and does know how to do it in a measured way—not stepping too far and recognising and acknowledging that for very good reasons some companies do fail and may begin again. It might be a genuine failure and we need to acknowledge that we do not penalise those who are the true entrepreneurs and innovators—those who take personal risks and take risks with other peoples' capital and their own capital—and make sure that we do not penalise them by making life too difficult. Some of the greatest economies in the world are those where you have successions of failed businesses and enterprises who continue to reappear, only to succeed and become great organisations. I think we need to be careful about this distinction between genuine failure and people reforming and what is the insidious practice of phoenixing. I believe that the Corporations Amendment (Phishing and Other Measures) Bill 2012 does exactly that.

The bill contains three main measures: a new power for ASIC to administratively order the winding-up of a company, new powers with regard to a range of publications, and new obligations on liquidators, which I think is really important. While I talk about liquidators, it is important to acknowledge that again it is this government that has taken on some of the complex issues in the financial services sector and looked at some of the problems that are inherent. We have worked very well with the regulator to make sure that we curb, if not completely rid the community of, some of the worst practices of liquidators, for example.

The bill also provides that the Australian Securities and Investments Commission has the power to place abandoned companies into liquidation without applying to the court. That is an important power. It implements part of the government's Protecting Workers' Entitlements package election commitment and facilitates greater access to GEERS. We have seen repeatedly, year after year, that companies have failed and have left the people who work for them high and dry without access to their
entitlements and without a whole range of payments that they were entitled to. It is important that we work with the regulator, the courts and others to make sure that is no longer the case.

The bill also replaces the current obligation to publish external administration notices in newspapers or in the ASIC Gazette, with a requirement to publish in a prescribed manner. Regulations will be made to facilitate the publication of these notices on a single insolvency notices website so that people can have access to it. We hear criticisms that we do not do more about the failure of a company in one instance and its reappearance in another instance. One of the ways we can respond to this, where there are clear phoenixing practices going on, is to have a single place where we can start to record all of these issues and make sure that people are aware of them.

The bill also makes further minor amendments to require that insolvency practitioners properly inform related government agencies about their appointment and what is going on in those particular areas. The bill has a range of powers in other areas and sets specific time frames. It looks particularly at the circumstances around a company that has failed. ASIC will be able to place a company into liquidation where a number of things happen. If a company has failed to respond to a return of particulars within a period of six months or not lodged any other documents in 18 months, then ASIC believes it is not carrying on a business and has powers for making a winding-up order in the public interest. This is a good thing because ASIC's workload, as the regulator, is difficult enough given the more than 1.6 million organisations it has under its charge in this country, let alone those which sit on the books with no activity at all—or with particular misactivity—or which do not respond to requests for particular documents that are required. When an organisation does not respond or comply with forms or other documents they are meant to provide, that can be the first sign that there may be a problem with that company.

It is important to arm the regulator with as many tools as is possible in a fair manner so that it can carry out its work fully and diligently. Where a company has failed to pay in full its review fee for a period of 12 months—where companies cannot even make that effort—or where there are distinct issues or problems at the most rudimentary end of their obligations to comply, then the regulator ought to have power over them in those areas. ASIC will also be able to place a company into liquidation where ASIC has reinstated the registration of a deregistered company and it believes that making the winding-up order is in the public interest.

These are extensive powers. I heard earlier a member of the opposition say that there are no new powers for ASIC. This is simply not the case. There are new powers contained not only within this particular amendment but in other areas. There has been an ongoing program from this government to give further powers, where necessary, to the regulator to be able to carry out its duties fully—in particular, where people's life savings, work entitlements or investments are involved. In cases where companies are being phoenixed the powers of ASIC that are contained in this particular amendment, as well as the powers that have been enhanced in other areas of ASIC, will apply.

ASIC's powers will also apply, for example, where ASIC has reason to believe that the company is no longer carrying on a business and there is no objection by the directors of a company to being wound up
once a notification of ASIC's intentions have been registered.

The bill also provides a specific power for the regulator to appoint a liquidator to effect the winding-up and determine the remuneration paid to the liquidator. That is a really important provision. We have heard in many media reports and elsewhere of liquidators being appointed by a failed organisation, or by specific persons, for their own advantage. There have been court cases and findings against a number of liquidators and I believe—I will be corrected if I am wrong—there was a case just recently where a liquidator was not only banned but sentenced to jail over practices which involved taking advantage of the liquidation of a company in terms of the fees they were paid and some fraudulent behaviour around their activities. So it is important we also make sure that ASIC has power to appoint liquidators specifically and to determine what that remuneration should be.

There are a number of other parts of the bill. I have spoken before about the publication of insolvency notices. That is important. That will make a clearer statement about the matters that are going on with particular liquidations or the failure of certain companies, and other notifications. In all, the amendments in this bill do a range of things. Most importantly, they deal with some matters that have been outstanding for many years. They deal specifically with the consumer protection provisions and they enhance ASIC's powers to deal with phoenixing, to deal with particular directors and to deal with organisations that fail.

Very importantly, the legislation provides for proper protection of employees' entitlements by strengthening the link with the GEERS program. It provides for a range of activities to further enhance ASIC's ability to measure, monitor and deal with poor practices in the business sector. I am very supportive of this bill and these amendments and I commend the bill to the House.

Mr FLETCHER (Bradfield) (18:29): I am pleased to rise to speak on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. The question before the House this evening is not whether phoenixing—which is, I might say, a particular ugly word when it is used in this context—is a deeply objectionable practice. Of course it is deeply objectionable when company directors and managers use the corporate structure to defraud creditors. There is no question in the mind of anybody in this place as to whether phoenixing is a highly undesirable kind of conduct which ought to be prevented to the maximum extent possible. The question before the House this evening is a more specific and precise one. The question is this: will the measures contained in this bill in fact be effective in dealing with the question of phoenixing—indeed, are they in fact linked in any way to the conduct of phoenixing—or are they instead yet another example of a technique that is all too common from this government: the technique of identifying a problem and offering what is claimed to be a solution, which, on analysis, is found to be deeply deficient and ineffective? This technique is one that we see used all too commonly. I put it to the House that we are seeing this technique being used yet again.

I want to make three observations in relation to this bill in the time available to me. Firstly, phoenixing activity is of course highly objectionable and to be deplored. Secondly, there is no evident linkage between the measures contained in this bill and phoenixing conduct. Thirdly, the measures in this bill give a degree of additional discretion and additional power to a regulatory agency, ASIC, and that discretion and those powers can be exercised.
without the need to obtain, for example, a court order. In the coalition's view, that discretion and those powers are excessive.

Clearly, the scope of these powers and that discretion needs to be weighed against the effect that these measures will have in dealing with the evil of phoenixing. When on analysis we see that there is very little reason to have confidence that these measures will have any effect, that adds weight to the serious concerns that the coalition has about the excess of additional discretion and additional powers given to ASIC.

Let me turn to the first point that I want to make, which is that it is uncontentious that phoenixing conduct is to be deplored. The term 'phoenixing' is understood to mean in this context the transfer by directors of the assets of a company that has substantial debts to a new company of which typically they are also directors. To take a specific example, you might have a company called Paul Fletcher Ventures Pty Ltd that is engaged in dubious conduct and that has accumulated substantial debts.

Mr FLETCHER: I am merely raising the hypothetical possibility, Madame Deputy Speaker, I hasten to add. What that company might choose to do is to hide behind the corporate veil, move all of its assets to a new company, such as Paul Fletcher (Brave New Horizons) Pty Ltd, and carry on business under that new name. Creditors who have been dealing with the company under the old name will find that that company has no assets with which to pay the debts that it owes to them. That is, on any view, fraudulent and deceptive behaviour to be deplored.

It is deplorable in all circumstances, but one of the circumstances in which it is clearly most deplorable is when the creditors who are defrauded are employees of the company, who find themselves unable to recover entitlements that are owing to them, such as long service leave entitlements. Clearly, it must be absolutely galling for anybody in this circumstance to find that they have been defrauded while the directors of their company are now carrying on business—often under the same brand name—using a different company as a vehicle, and are therefore able to take advantage of the different legal personality of the new company and fail to pay the debts owed by the old company. Let us be clear: it is not contentious among members of this House that that is deplorable behaviour. But the question before the House this evening is whether the measures that are put forward in this bill will be effective in addressing that undoubted problem.

That brings me to the second point that I want to make to the House this evening, which is that there is, on analysis, no evident linkage between the measures in the bill and the conduct of phoenixing that we are all united in deploring. What are the measures contained in this bill? The key measure is that ASIC, the corporate regulator, is given significant new discretionary powers to wind up a company. There are several specific triggers which allow that power to be exercised. Those include: if a company is six months late responding to a compliance notice and has not lodged other Corporations Act documents in the preceding 18 months; if a company's review fee has not been paid within 12 months; or if a company has been re-registered in the preceding six months and ASIC has reason to believe it is in the public interest to place the company into liquidation. There are one or two other heads as well, but these are the major ones that I want to deal with. The critical point in analysing the provisions of this bill is this: there is no linkage on the face of the words of the bill between the powers it grants to
ASIC and phoenixing conduct. Nowhere in the text of this proposed statute is there a requirement that ASIC must form a view that a company has engaged in phoenixing behaviour. Nowhere is there a requirement that ASIC must have a reasonable suspicion that a company has engaged in phoenixing behaviour. Nowhere in this bill, which purports to deal with the evils of phoenixing, is there even a definition of phoenixing. This is an approach to drafting which is, on any view, novel. When you consider that the word phoenixing appears in the title but virtually nowhere else in the language of the bill, it makes any reasonable inquirer highly suspicious as to what is going on.

The language of this bill, the structure of this bill and the drafting of this bill give every indication of a desire on the part of this government to be seen to be offering a solution to a serious problem without actually having come up with a practicable, effective, workable solution to a serious problem. This is not surprising. This government has tried on a number of occasions to get to grips with the problem of phoenixing but it has been unsuccessful.

Last year, for example, the government included a series of measures targeting some aspects of phoenix activity in the Tax Laws Amendment (2011 Measures No. 8) Bill 2011 and the Pay As You Go Withholding Non-compliance Tax Bill 2011. After examining the bills, the House of Representatives Standing Committee on Economics made a unanimous and bipartisan recommendation that the government should not proceed with enacting those provisions. It said:

However, the committee notes that concerns from the business community and its representatives that the Bills potentially apply to the broad range of directors whether engaged in phoenixing activity or not. The committee recommends that the Government should investigate whether it is possible to tighten the provisions of the Bills to better target phoenix activity.

The government subsequently withdrew those provisions from those particular bills and has yet to provide any indication as to how it will proceed with them. I would put it to the House that the analysis conducted by the House of Representatives economics committee, and the finding that those particular measures did not effectively target phoenix activity, are findings which would apply with equal force to the measures contained in the bill presently before the House.

What we have in the bill before us is the granting of an additional power to ASIC—that is, to wind up a company on ASIC’s own motion without having to persuade a court of the desirability of doing so. There is no linkage to phoenixing and there is no requirement to form a state of mind or a suspicion that phoenixing is occurring—that is not even a definition of phoenixing. It is a heroic claim to describe this bill as dealing with phoenixing at all.

Let me turn to the third point which I wish to make. As I have argued, the provisions of this bill grant ASIC a very wide set of additional powers and discretions which can be exercised without seeking court approval. Let us consider, for example, the power to wind up a company if its review fee has not been paid within 12 months. ASIC might choose to use that power for a whole range of reasons which have nothing to do with phoenixing, including debt collection. I regularly receive complaints from constituents involved in business activities that ASIC’s annual review fees are very steep. They seem quite disproportionate to the value of the services actually received by the businesses compelled to pay these fees. It is very easy to imagine how a statutory agency like ASIC might fall prey to the temptation of using this wide new power to
engage in debt collection activity to follow up fees which have not been paid. There is nothing in the grant of this power which confines, restricts or links it to phoenixing activity, notwithstanding the claim that this bill is about phoenixing activity.

Statutory agencies like ASIC play an important role in the supervision of corporate activity. But that does not mean that the parliament, representing the people of Australia, ought to freely agree to hand ASIC more powers and discretions without careful scrutiny and without carefully weighing up the benefit to be obtained against the possible reduction of the rights and liberties of the companies and their employees, management and directors with which ASIC is dealing. If you are going to give ASIC additional powers and discretions, you need to make the case for how doing so is going to better allow ASIC to deal with the problem of phoenixing and produce better outcomes and a reduction of phoenixing activity. There is no persuasive case made in the explanatory memorandum. It is very hard to see how there could be such a case made when you have a set of provisions which are drafted with great generality and make no reference to phoenixing whatsoever.

I conclude as I began: there is no question that phoenixing is highly undesirable conduct. The coalition stands ready to support effective, practical, workable measures. The measures in this bill are not effective, practicable or workable; they simply give extra discretions to the regulator and the test as to why that should be done has not been met. (Time expired)

Ms BRODTMANN (Canberra) (18:44): I welcome the opportunity to speak on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012, which has been introduced into the House by the Parliamentary Secretary to the Treasurer. It is an important bill because it puts Australian workers right at the centre of policy making—which is probably why the member opposite is scratching his head a bit, because he does not quite get that concept. It shows how committed the Gillard Labor government is to ensuring workers get a fair go, and its primary aim is to protect their rights. Again, it is no wonder the other side is a bit bewildered by all this. These rights were decimated by the former government. We all saw how devastating Work Choices was for Australian working families. We all know the backlash that those opposite received when they tried to destroy workers' rights. In fact, they got thrown out of office for it. I think we all know that they are so eager to get back into office so they can set out to destroy the rights of working people again.

I know they are particularly keen—they are itching; they are licking their lips—to get their hands on the people of Canberra. When the member for North Sydney was talking about this bill earlier he was actually deriding the acronym of the FaHCSIA department. He seemed to be highly bemused by that acronym. To me it was just typical of the attitude he has towards not just Public Service departments but particularly public servants. He has made a commitment that, should the coalition win the next election, they will get rid of 12,000 Public Service jobs. And that is just the beginning. They will also get rid of government departments—the Department of Climate Change and Energy Efficiency being one of the first on the hit list. I can understand why the member opposite cannot see what this bill is designed to do, because he just does not get the fact that it is all about protecting workers' rights. But that is a discussion for another day.

The Corporations Amendment (Phoenixing and Other Measures) Bill
amends the Corporations Act through three main measures. It gives the Australian Securities and Investments Commission the power to wind up abandoned companies, it prescribes publication of insolvency motions for better transparency and it creates a new obligation on liquidators to inform FaHCSIA—which, for the information of the member for North Sydney, is the Department of Families, Housing, Community Services and Indigenous Affairs—of their appointment to a paid parental leave employer.

We are talking about tackling the issue of phoenixing, which is something we cannot be complacent about, as the impact it can have on workers is absolutely devastating. The bill provides ASIC with a new power to administratively order the winding up of companies that have been abandoned by their directors, effectively delivering on the government's election commitment, as announced as part of the Protecting Workers' Entitlements package, and facilitating greater access to the government's General Employee Entitlements and Redundancy Scheme.

GEERS is a scheme funded by the government to assist employees who have lost their employment due to the liquidation or bankruptcy of their employer and who are owed certain employee entitlements. Where the employer is a corporation, a precondition for any payment from GEERS is that the company be placed into liquidation. Although large creditors, such as the Australian Taxation Office, may take steps to place a company into liquidation, this is not always the case. At present, employees have to apply to the courts and incur legal costs in order to place the abandoned company into liquidation before they can access GEERS. But the cost of placing a company into liquidation can be prohibitive. We all know that. Legal fees are expensive for employees, particularly when they have incurred losses in wealth due to the failure to receive their entitlements from a company. This bill will mean that, in cases where companies are abandoned by their directors, ASIC may choose to exercise its power to place the company into liquidation so that employees of the company can access GEERS.

This bill also provides ASIC with the power to place abandoned companies into liquidation in four separate and distinct circumstances. ASIC will be able to place a company into liquidation where a company has failed to respond to a return of particulars within six months, it has not lodged any other documents in 18 months and ASIC believes that it is not carrying on a business—essentially it is invisible; it is a phoenix operation, not a viable operation—and that making the winding up order is in the public interest. ASIC will also be able to place a company into liquidation where: it has failed to pay in full its review fee for 12 months; ASIC has initiated the reinstatement of the registration of a deregistered company and it believes making the winding up order is in the public interest; and ASIC has reason to believe that the company is no longer carrying on business and there is no objection by the directors or company to being wound up once notified of ASIC's intentions.

The bill also replaces the current obligation to publish external administration notices in newspapers or in the ASIC Gazette with a requirement to publish in a prescribed manner. Regulations will be made to facilitate the publication of these notices on a single insolvency notices webpage which will form part of the ASIC website. I think this is a long overdue development. It is an important part of the government's insolvency reform package, replacing 53,000 newspaper advertisements over the next four years and making it easier for creditors to
access the information in one location. I know this may not be a winner in the eyes of our newspaper magnates, but it is an important reform and will save the industry around $15 million over the next four years, as these costs are ultimately borne by creditors through reduced returns. There are also costs to creditors in monitoring numerous newspapers for relevant notifications, particularly as there is no set newspaper or day of the week on which notices must be published. I think we can all agree that this change is long overdue. It will ensure that people can go to one location to get the information about insolvencies and it will be a great relief to creditors.

Finally, the bill sets out a new obligation on liquidators to inform FaHCSIA of their appointment to a paid parental leave employer. Paid parental leave payments can be paid either to eligible employees through their employer, making it a paid parental leave employer, or to FaHCSIA through the Family Assistance Office. Where a company enters into external administration, it is no longer appropriate for the paid parental leave payments to be paid by the employer. This amendment will mean also that FaHCSIA will be better informed and better able to determine whether to continue paying paid parental leave payments to the company or make the payments directly to the employee.

Earlier today there was a great debate on the benefits of the Gillard government's Paid Parental Leave scheme. I commend my colleague the member for Robertson for bringing forward that matter of public importance on this issue. She spoke wonderfully in that debate. I commend her for bringing it to the public's attention and all my colleagues who spoke on it. This scheme is incredibly beneficial to working parents and in encouraging more parents back into the workforce.

Unlike those opposite, who wasted 11 years in government, we have implemented paid parental leave. Australia is no longer one of the few OECD countries that does not have such a scheme. I know those opposite are still trying to work out what sort of scheme they are going to have and I know that they are also still trying to work out their $70 billion black hole. Unlike those opposite, we on this side deliver. We have delivered a scheme that allows 18 weeks of paid leave to new parents. Those opposite only talk about paid parental leave, and we know that behind closed doors none of them think the opposition leader's grandiose plan for a new tax on paid parental leave is much chop.

I welcome this last amendment to the Corporations Act, because it recognises the need to protect women and men who are receiving paid parental leave entitlements. We have fought so long for these entitlements—the women of Australia, particularly, have fought for decades for these entitlements—that is why it is so important that everyone who is entitled to receive them actually receives them. The fact that a company goes into liquidation should not be a barrier to people receiving these entitlements. It is hard enough for employees who lose their entitlements and their livelihood through the actions of a dodgy employer, but no-one should be in a situation where they have just had a baby and then their workplace, which they were committed to returning to, goes under. This amendment will protect them and their family from such circumstances.

Amending the Corporations Act to ensure we protect the rights of working people more fully is good policy. It is Labor policy. Labor is all about jobs; it is what we do. It again shows how committed the Gillard Labor government is to protecting jobs and improving our economy. In fact, Labor has
created more than 700,000 jobs since we came to office four years ago. We got rid of Work Choices and restored unfair dismissal protections that the former government took away from seven million employees.

We have a record low rate of unemployment: 5.1 per cent compared to the former government's efforts of 6.4 per cent. Unemployment in Canberra is even lower, I am proud to say, although that will probably not be the case should the coalition get back into government, because it will do its level best to make sure that the unemployment figure for Canberra goes through the roof.

That is its mission Labor is getting on with the job of creating jobs and protecting jobs. That is what this bill we are debating aims to do. I commend the Bill to the House.

Ms O'NEILL (Robertson) (18:56): I also am very pleased to talk today to this very important piece of legislation, the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. I will make a few comments about the outstanding argument for this bill that has just been made by the member for Canberra. I noticed that her speech was littered with the terms 'workers' and 'workers rights'. In contrast, the member for Bradfield bemoaned the fact that ASIC will get more powers to deal with these dodgy participants in the practice of phoenixing. He talked about rights and liberties towards the end of his speech and listed—I know it was probably in descending order of those he thinks most important—the board members, the directors and the owners. I know he said employees, but he positioned them down the list and in service of those who are going to have most profit.

But this is a Labor piece of legislation that deals with ordinary workers and makes sure that we give to people the very rights that they have every right to expect. If you go to work you expect to be paid for your labour. To his credit, the member for Bradfield explained quite clearly the disgraceful practice that is phoenixing. My only worry is that perhaps he gave a bit of a manual to the less civic minded people listening to this broadcast and perhaps gave them a few ideas about what they might do. Luckily for those naughty people we will keep them out of jail, because we will stop them from phoenixing.

Mr Schultz interjecting—

Ms O'NEILL: We will give them the opportunity to do the right thing, because we will put in a framework that will support them as they act in the interests of their company's success. We support small businesses and their success. The employing capacity they have makes a really big difference to our country. Ninety-four per cent of our employees are in small businesses. We understand that.

Mr Schultz interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The member for Hume has been thrown out once today. He should not tempt fate again.

Ms O'NEILL: I am glad I did not have to hear that, Madam Deputy Speaker. As I was saying, the reality is that we have companies that are engaging in extremely unethical practices and that are taking money away from employees. This legislation does three very important things. It introduces the administrative power that ASIC needs to make sure that, if it is planning to become bankrupt suddenly in order to keep its assets to itself and not pay its workers fairly, a company will have a whole lot more trouble achieving that end. Secondly, we understand that the publication of insolvency notices is going to change the way in which companies can make public the fact that they have become a failed company. I noticed that not many people from the other side of this
chamber spoke about the fact that one of the things this legislation does is shift the place in which notification of a failed company has to be advised. Currently it can be in a newspaper. My understanding is that if a company becomes a failed company in New South Wales the less ethical types might decide to put a notice of that failed company in a newspaper as far away as Victoria. This legislation is going to require companies that have failed to put their details on to a public website.

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Ms AE Burke): Order! It being 7 pm, I propose the question:

That the House do now adjourn.

Longman Electorate: Fishing

WYATT ROY (Longman) (19:00): This last week I hosted a community forum in my electorate to hear from my community about their views on the proposed extension of marine park no-fishing zones. As I have shared with the House before, tourism and the fishing sector are two of the major economic drivers for my local region. In fact, several small towns strongly depend on the fishing industry for their very existence. For the people of my electorate who live in towns like Donnybrook, Toorbul, Meldale and Beachmere or on Bribie Island, any changes to marine parks will have major, lasting economic and social implications which need to be taken under serious and measured consideration before any changes are made to extend no-fishing zones.

I would like to extend my personal thanks to Senator Richard Colbeck, shadow parliamentary secretary for fisheries and forestry, Senator Barnaby Joyce and Senator Ron Boswell for making the trip to Toorbul in my electorate to discuss with stakeholders in my community an issue that is very close to my community's collective heart. Last Friday, over 90 minutes, we held a robust discussion about environmental impact, sustainability, jobs, businesses, recreational fishing and tourism—all in the context of this issue. While the 100-odd attendees made the point that environmental sustainability was important, no one person in the room was prepared to see jobs and businesses go under for the sake of a plan with no proven environmental gain.

There were several clear concerns raised by my community during the forum which need to be addressed by those opposite proposing an extension of existing marine parks. The impact of the proposed changes is threefold. The direct economic impact will be severe. Small businesses in my electorate are doing it tough and they have been for some time. The indirect economic impact will be devastating for some areas in my electorate. The extension of these zones will result in both reduced numbers of commercial fishermen and also importantly reduced numbers for recreational fishing.

The ripple effect of this is frightening. Bait and tackle shops, boat builders, marinas, service stations, marine suppliers and local tourism operators will all be faced with a substantial hit on their businesses. Over the past few months I have spent countless days talking to local businesses, who have been telling me that customers are not buying because they do not have enough money to spend. Business is down and these changes will seek to make it more difficult for local small businesses to survive. Businesses tell me that the best thing government can do is to get out of their way, to stay out of their way so that they can get on with their lives.

The third effect that the proposed changes will have is a social impact on my local community. One of the great treasures of my community is its access and proximity to
Moreton Bay. In fact, many families move to the region specifically because of access to Moreton Bay and the fishing it offers. Countless numbers of local families spend their weekends, or, for those lucky enough to have them, their RDOs and their days off, out on the boat, fishing in the bay. This is more than just a simple weekend activity. This is a tradition that unites families and is part of the Australian identity. Community is built on relationships, and the last thing we need is Big Brother governing how we can spend time with those in our families and communities. As Senator Joyce said at the forum, it seems that every time he turns around this government is taking away another one of his rights.

I charge the minister to think carefully about the locals whose lives and livelihoods are under threat due to this government’s plans to extend marine parks. This is real people's lives and real people's futures at stake here. I do not want to see towns in my electorate go under due to a thoughtless, careless decision by this government; a decision made for political purposes, not environmental ones. The reality is this: as long as this Labor government is in alliance with the Greens, there is no guarantee, no security, for local fishermen. Under this Labor government there will be no end to the push to extend marine parks further and further.

My community, along with many others, needs security for small businesses, for family-owned businesses that are already doing it tough. They need government to stay out of the way so they can get about their lives. The last thing they need is a government that is making it more difficult for them to run their businesses and to make an earnest living. The last thing we need is a Labor-Green government that once again takes away a right. This Labor government would be better served to look to the coalition for solutions. We stand for practical environmental action, not clear political fixes. And we stand for respect and genuine consultation with the very people government policy affects.

Education

Mrs D'ATH (Petrie) (19:04): It comes as no surprise to many in my community and to those in this House who have heard me speak before that I am passionate about education and skills. The Gillard Labor government has endeavoured to pursue many important reforms in the education sector, such as the trade training centres that we are building in our schools, the science and language centres, the new libraries and the new multipurpose halls, and importantly also introducing the national partnership funding to assist schools in literacy and numeracy programs and the national curriculum, something that no other government has been able to achieve prior to Labor coming back into government in 2007. We are finally going to have consistency in relation to the curriculum being delivered across all of our public and private schools across every state and territory.

What we saw last Monday was another important step forward in the release of the Gonski report. The government had said from day one that it was committed to looking at a review into school funding and understood the importance of doing a comprehensive review in this area. There had been many criticisms well before I was elected where I met with different sectors of the education area that all talked about the need for reform, that the system was broken, it did not provide transparency, it did not provide equity. What the Gonski report found is that the current system is complex and fragmented, lacks transparency and does not allocate resources efficiently. Similar schools with similar needs are getting
different amounts of money. This is contributing to a situation where the gap between our best and worst performing students is widening.

The panel made a number of recommendations to make the funding system better. Central to the panel's proposal is a new funding model, referred to as a schooling resource standard. It would mean each student at any school—public, Catholic or independent—would receive Commonwealth funding based on the schooling resource standard. Extra money would be given to students and schools that needed it most, including schools with kids from poorer backgrounds, students with disability, students with poor English proficiency, Indigenous students and remote students.

This is an important step forward, but there is still much work to be done. The Australian government are conscious of the recommendations which have been made, and have come out and said that we will embrace a model of the kind recommended by Gonski if we are convinced it can achieve better student results; equitable access to a great education; excellent teaching and learning outcomes; support for school choice; fairness, transparency and accountability; continuous improvement and innovation in school performance; and financial sustainability.

These are key elements which have to be considered in whatever we put forward, because the model put forward by the government has to be a model which is going to last for decades to come. We cannot rush the process. It has to be a process which is worked through methodically, taking into account the findings of the Gonski report. That is why the government has notified the stakeholders that it will be putting together a ministerial reference group. The Ministerial Schools Funding Reference Group will be made up of key stakeholders. I believe it is important to have this reference group to work through these recommendations and to move the process forward from here.

I also believe it is important for members of parliament, including me, to engage at a local level. That is why this Friday I will be having a roundtable with principals from schools in my electorate. I have invited all of the principals in my electorate to come together and we will sit down and have a frank discussion about their initial views on the Gonski report and its recommendations and where they see things going from here.

I am pleased that many groups have already come out with their views. The Australian Primary Principals Association was one, and I had the honour of attending the Parliamentary Friends of Primary Education dinner last night. The Australian Secondary Principals Association, the Australian Parents Council and the Independent Schools Council of Australia have all come out with supporting comments welcoming the release of the Gonski report. Of course they have also raised issues, and they want to work through those issues. That is why it is important that this reference group be formed. I am proud of the work that has been done in education. (Time expired)

Child Support Agency

Mr SCHULTZ (Hume) (19:10): I regret that I need to rise once again to talk about problems associated with the Child Support Agency. I did extensive research into the Child Support Agency in 2007 and produced a booklet about its problems, but it appears that some of those problems still exist.

Minister O'Connor is aware, from my correspondence with him, of the very serious concerns I am raising in the House tonight regarding notification by the Child Support Agency to a constituent of mine that the
constituent is liable for a child support payment of $474.98 per fortnight to a person, identified as 'Amanda', with whom his 16-year-old daughter resides. Amanda is not known to my constituent, not an approved career and not part of his immediate extended family, yet—obviously with the assistance and encouragement of the Child Support Agency—she has forwarded an application for child support for my constituent's daughter Sarah.

A number of questions need to be asked about this issue, including whether this person Amanda is a registered carer, why the biological father has not been given the opportunity by the Child Support Agency to provide appropriate input prior to this decision and how a person not even remotely related to the family is able to circumvent the intent of child support and the Family Assistance Office. The Child Support Agency, by its actions, is encouraging a minor, who may have drug related problems, not only to stay away from her biological father but also to reside with a woman who has no official legal status through the courts as a carer for the child—nor indeed is she a person known to either side of the family. This person, Amanda, has been encouraged by the CSA to seek financial benefit from the biological father for a second time following an unsuccessful application three months ago, which was suddenly terminated.

My constituent sent me a letter and gave me permission to use it. The letter says:

My daughter Sarah appears to be residing with a person who has lodged a case with CSA against myself, and whom I do not know. I was contacted by a person claiming to be from the Child Support Agency almost 3 weeks ago. She advised me that an application by a woman called Amanda had been received and accepted by CSA. I am certain that I was not asked if I was in a position to provide a home for Sarah by this person, nor was it disclosed that a phone assessment was actually taking place. Amanda, whom I have never met, is certainly not a family member, nor any relative of either side of Sarah's family. I find it very irritating and curious to note that a previous application was accepted from this person by CSA only three months ago, but was mysteriously terminated without explanation. I do question stability of this living arrangement, and certainly the motives of the applicant. Nothing has ever been taken to the family law court, and therefore there are no orders compelling this person to provide care for Sarah. Karen Cumberland, Sarah's mother died of alcohol related liver failure two years ago, and therefore I am the sole legal guardian for Sarah.

When Sarah's mother passed away, Sarah broke off all contact … and stayed for a time in the care of her grandparents, though this arrangement was short lived. The refusal regarding contact has never been satisfactorily explained, even when herself and the people that she chose to stay with attended mediation at my insistence in October of 2009. At that time she was staying with her uncle and his wife, who took responsibility for Sarah and who provided bank account details so that I could pay them child support, even though I insisted that Sarah come to live with me, my wife and Amy. Sarah refused this offer, requested that I have no contact with her unless initiated by herself, and stayed with this couple until they split up, and then stayed with the wife. This lasted possibly a little over 12 months. Sarah was asked to leave this arrangement as she had been caught with drugs in her possession.

I can only assume that in the absence of any court orders, Amanda has voluntarily taken Sarah into care, and without my knowledge, has an expectation that I will pay for this even though I have always been able to provide a home for Sarah, and am still in a position to do so. I know nothing of this person, but feel that because both myself and my wife are fulltime employed, and are owning our own home, we are in a good position to care for Sarah whom I consider a run away. I could go on, but unfortunately time does not allow me to do so. Knowing this
organisation in the depth that I do, following research that saw me get 4,000 case studies from across Australia, I think it is about time for any government of any political persuasion to consider a royal commission into the way in which this clandestine—  

(Time expired)

Politics

Friends of Frog Hollow

Mr BYRNE (Holt) (19:15): I rise tonight to raise with the House the issue of political and civil disenfranchisement and disengagement. It has been evident for some time that many in our community are despairing of the situation in politics and in many cases the state of our society. The essence of the disconnection is the manner of political and civil discourse and the feeling of irrelevance and disempowerment.

It is ironic, given the legislation that has been passed through the House and the legislative and policy debates we have in this place—many are extremely significant—that many Australians see us as no more than school children and this place as a schoolyard. The result is a sense of profound disaffection and disconnection. This is mirrored in people's dealings with bureaucracy and some businesses in the community. More and more of my constituents have become disaffected.

Additionally, in the outer suburbs, where governments constantly struggle to provide the social infrastructure that is needed, many are turning away from community and civic engagement. For example: how can one person make a difference; what is the point; my voice isn't being heard? These are recurrent reactions and key indicators of why we should be concerned. It is true that many people are closely watching events occurring in Europe, nervous that it portends another global financial crisis. It is also true that many people have seen headlines about job losses in manufacturing and financial services here in Australia, whilst many small businesses in my electorate are reporting recession-like conditions. It is natural during these uncertain and difficult times to turn inwards and disengage. But in reality we can only succeed as a community and as a civil society by engagement. The costs of disengagement are too evident.

At the same time, the trend in my area is exacerbated by media reporting that depicts suburbs in my electorate of Holt as some of the most unliveable in Melbourne, which is pretty interesting considering that I live in one of them. Compounding this is the focus on negative events that find their way onto the front pages of our papers down our way in suburbs such as Doveton, Hallam, Narre Warren and Cranbourne. But, when you have great stories about people such as a young boy in my electorate who raised $3,000 and shaved his head in order to raise money to provide treatment for a woman with leukaemia, and the contribution the community have put forward, they are very rarely reported in the national or local broader media.

There is a key national component about us, a key national characteristic, which is that we pull together in times of crisis. Whether it be flood, bushfires, hurricanes or drought, we always pull together for the common good. So, perhaps a way to encourage civil and political engagement is to look at examples within our local community of people who literally transform our community and transform the lives of those in our community. One of the best examples I could put forward in this place is a friend of mine named Stephen Hallett. Stephen has played an instrumental role in the establishment, management, development and maintenance of Frog Hollow Reserve in Endeavour Hills, and the Friends of Frog Hollow, which was established in late 2002.
The Friends of Frog Hollow have a passionate interest in the management of this reserve and have done great work to improve the environment and to protect local frog species in the reserve.

The Friends of Frog Hollow started as a typical friends group, with a large number of members, but they wanted to be active. They wanted to contribute to the change and development of the landscape around them. Through Stephen Hallett's leadership the group has fundamentally transformed Frog Hollow Reserve, obtaining more than $50,000 in grants for the revegetation, which has seen the group plant more than 60,000 native trees, shrubs and grasses. The group has also excavated and laid more than 300 metres of crushed gravel walking paths around the wetland ponds. Apart from the basic activities of spreading mulch, which they also do, and planting native trees, Friends of Frog Hollow conduct many successful community events, including National Tree Day and Clean Up Australia Day, every year since their formation, and a spring planting festival with the City of Casey, which is one of only six major events in the state. I am looking forward to attending their next event this Sunday, which is Clean Up Australia Day, to help this important community area at Frog Hollow Reserve.

This group is literally transforming their community. A vision the group had for about eight years is to link the amazing Lysterfield Lake Park with Frog Hollow Reserve. If you could do that you could ride from Lysterfield Lake Park, or walk from Frog Hollow, to the bay.

It is amazing what a small group of people can do if they put their minds to it. As former US President Franklin Delano Roosevelt famously said:

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort.

Looking at the people from Frog Hollow Reserve, and Steven Hallett, that is what they literally are doing. They are transforming their community, bringing happiness to the community and they are coming together for the common good.

**Cowper Electorate: Village of Wooli**

Mr HARTSUYKER (Cowper) (19:20): I rise today to put on the public record my concerns for the village of Wooli. Wooli is a wonderful coastal village in the electorate of Cowper. It is home to a small local population but is also a popular holiday destination for thousands of people each year. But, as I have previously noted in the parliament, the village is under threat from coastal sand erosion.

In 2010 the Clarence Valley Council released a plan of management which proposes a progressive retreat from the site of the original village. The plan tables the option of allowing landowners in the foreshore area to swap properties for crown land near the Wooli sportsground.

The 44 houses that are of greatest risk are south of the Wooli Bowling Club, but a further 20 beachfront dwellings have been identified as at risk of severe structural damage as a result of the dune erosion. The Clarence Valley Council believes the solution to this problem is progressive retreat. Last week the council was quoted in the local paper restating its position that the proposal to allow Wooli landholders to defend their properties was 'unworkable'. In my view there needs to be greater focus on the progressive defence, rather than progressive retreat from the village. This is a matter that all levels of government need to be actively involved in. The priority must be to protect the peninsular on which Wooli was
built. I acknowledge that the Commonwealth has provided some small grants to assist both Wooli DuneCare and the local community. But the reality is that more needs to be done.

I would like to see additional government resources committed to reducing the ongoing erosion. I would like to see extra mitigation measures put in place that will give the Wooli community every opportunity to repel the threat of high seas and river flooding. This could complement the actions of private landholders who rightly want to protect their property and maintain the lifestyle they enjoy in this wonderful coastal community.

I would like to recognise the work and commitment of individuals and organisations in the Wooli community. The Coastal Communities Protection Alliance-Wooli was formed in 2010 by concerned citizens and friends of the Wooli community to develop and implement plans for the protection of the village. The CCPA-Wooli is an alliance committed to changing the attitudes of all levels of government to coastal communities threatened by erosion and the degradation of beach environments. The alliance believes that decisions on the future of communities must recognise the social, economic and environmental consequences and must be based on extensive, open-minded and ongoing community consultation and diligent best-practice planning that includes options up to the abandonment of these communities.

The CCPA has commissioned an expert review on Wooli Beach and the options for defending it. The review was conducted by ASR Limited, an international firm that focuses on designing and implementing solutions for coastal protection. ASR's report concluded that many defensive options are available to halt the erosion in Wooli. However, ASR noted that there is very little information about the Wooli Beach processes upon which it would be best to base any future action or protection strategy. Their key recommendation was the need to 'get the data, analyse it to understand the beach, then choose the solution(s)'. The CCPA has since set about persuading the Clarence Valley Council and the New South Wales state government to follow this approach rather than jumping to a planned retreat without credible supporting evidence.

I note from their latest newsletter that the CCPA, in cooperation with the Clarence Valley Council, has commenced a research project whereby it will monitor the Wooli Beach processes. Cameras, computers and solar panels are set to be installed so that data can be compiled about sand movements. This is an important step in the CCPA's campaign to secure the future of Wooli and protect the village from geographical isolation.

Wooli is not the only community on the coast that is affected by erosion. But I believe the opportunity exists for all levels of government to resolve the issues in Wooli and use the process as a template for addressing coastal erosion issues in other parts of Australia. It is absolutely essential that the community's voice is heard on this issue. It is absolutely essential that all levels of government commit the resources necessary to address coastal erosion. We do not want a top-down approach in which bureaucrats refuse to listen to the people or hide behind the silver bullet of 'progressive retreat'. All options must be thoroughly explored before a medium- and long-term solution is implemented.

Governments owe it to the people of Wooli to listen. Governments also have a responsibility to ensure that social impacts are weighed up against environmental considerations. I look forward to working with the Wooli community, the state member
for Clarence, Mr Chris Gulaptis, and other stakeholders to resolve the coastal erosion issues at Wooli so that the community can continue to live in this little piece of paradise on the North Coast.

**Capricornia Electorate: Pensions and Benefits**

Ms LIVERMORE (Capricornia) (19:25):
This week another important step has been taken towards the implementation of budget measures targeting social disadvantage in Rockhampton. Yesterday the House of Representatives voted unanimously to pass the Social Security Legislation Amendment Bill, clearing the way for the extension of income management to our city. The bill specifically identifies Rockhampton as one of the communities where income management of welfare payments can be invoked by Centrelink to assist people in meeting their responsibilities as parents and job seekers. The change will take effect from 1 July 2012.

Rockhampton was included as one of those targeted communities in recognition of the pockets of entrenched disadvantage and high unemployment in our area. We do not want to see people being left behind at a time when our region is experiencing economic growth. That growth is creating demand for skilled employees and opportunities for local people if they are given the appropriate support and incentives to get into the workforce. To start with, income management will apply to three groups of people: those referred by child protection authorities when a child is considered at risk of neglect; people assessed by Centrelink social workers as being vulnerable to financial crisis; and people who volunteer for income management as a way of managing their budget to meet their basic needs.

Income management mandates that a proportion of a person's Centrelink payment be quarantined for use on essentials like rent, food, utilities and clothing. This is especially important in the case of families raising children, to ensure that welfare payments are meeting their needs. The government is confident that income management can be a positive tool for helping people to stabilise their lives. We know this because income management has been in use not just in the Northern Territory but also in suburban Perth. The evaluations there showed measurable improvements in school attendance, increases in the amount of money being spent on fresh food and corresponding decreases in spending on alcohol and gambling. The strongest endorsement is the fact that the largest group of people on income management are those who have chosen voluntarily to receive their Centrelink payments that way to help manage their family budgets and put their lives back on track. By supporting parents to provide stable and nurturing home environments we give children the best possible chance to succeed at school and follow a pathway into the workforce.

Income management is just one of the measures the government is funding in Rockhampton to overcome disadvantage and especially to make sure children are not condemned to lives of chaos and insecurity. A number of other initiatives are already well underway in our area. Firstly, and very importantly, our government action leader, Debbie Sear, has been hard at work since last July coordinating all the government and community agencies that provide support to disadvantaged families to make sure that people can get access to the support they need, whether it is help with accommodation, child care or training. That might not sound like such a big deal, but for years the question has been asked in Rockhampton: with all the money that seems to be spent on addressing antisocial
behaviour or other issues, why don't we see results?

Too often there has been duplication and lack of cooperation and coordination between all the different agencies and levels of government, leaving big gaps for people to fall through. Debbie Sear is driving long-lasting change in the way our local organisations work together to make sure problems are identified. Then all the players bring what they can to achieving a solution—not just each doing their own thing in isolation without working to a measurable goal. In addition, since January Centrelink has been interviewing teenage mums to see how they can be supported to stay engaged with education or training and to help them link up with groups that can give them parenting advice or just some social connections with other mums. I have been told that this is proving to be very positive with most of the young mums eager to continue their education. Even those who are doing it the toughest are very motivated to take up the support that is on offer because they are like the rest of us—they want what is best for their babies. Meanwhile the Smith Family has started work on the other part of the program, called Communities for Children, which deals with early intervention for families with children up to 12 who are at risk.

I laid down the challenge to my ministerial colleagues two years ago. They heard that too many young people in Rockhampton had given up on themselves and were turning to lawlessness and even violence. Some might say that I should not have washed Rockhampton's dirty laundry in public but this package of welfare reform and community support is the direct result of those representations and I am proud to be associated with them.

**Solar Hot Water Rebate**

**Mrs MIRABELLA** (Indi) (19:30): I rise this evening to speak about the government's cruel and sudden axing of the solar hot water rebate. What we saw yesterday was Pink Batts Mark 2. What we saw yesterday was the government deciding, at one minute to five, that the program would be axed at 5 pm. This occurred without any consultation and without any warning to the industry. The industry was operating on the basis that the scheme would be operational until at least 30 June this year, as the government had promised that it would be. By doing this what the government has done is to say to industry and consumers who were perhaps preparing to utilise the rebate: 'Well, don't believe what we say. You can't trust us. We told you there would not be a carbon tax, and now there is. We told you there would be this support because we needed to do our bit to reduce emissions by having people use the solar hot water rebate.' So they thought it would be a good encouragement for consumers to convert. And what have we seen? Not only have we seen them send out the message that 'we're not really serious because we've cut this rebate' but, quite cruelly, what they have done to manufacturers and retailers is to say, 'When we tell you we've got an industry program, don't trust us. We'll pull out the rug from right under your feet.'

This is yet another example of changing the goalposts midway through a program without consultation and without warning. Take Rheem. I was speaking to them yesterday before they heard the announcement and my office spoke to them afterwards. They have made business decisions, they have got $10 million worth of stock and now the jobs of 1,200 workers at their Rydalmere facility hang in the wind. It is reckless decisions like this that add to poor
business confidence and poor consumer confidence.

The government may try to say, 'The opposition is always saying no,' to try to absolve themselves of the responsibility of the role they have had in creating a very negative business outlook. It is these sorts of decisions—and this is yet another one—that add to that. I think it is about time that members like the member for Parramatta should break the silence and be the first one to go and lobby the Prime Minister to reconsider the decision, because it is not good enough for the industry minister to come into this chamber, pretending to know all about industry, and give the arrogant advice from the top of the hill to say, 'Business has got to lift its game. Business has got to start thinking about the national interest, not their own interest.' That arrogant rhetoric is no replacement for real policy and for genuine empathy about how hard industry, particularly manufacturers, is doing it at the moment. We have even heard from the Clean Energy Council, which said in a release today:

This decision will immediately affect sales and will put more than 1200 manufacturing jobs and 6000 installation, sales and back office jobs in jeopardy. This industry has been struggling with the effects of a high … dollar just like the car industry, just like the steel industry and just like other home grown manufacturing industries.

They go on to say:

Cutting this program without warning in the middle of a financial year is yet another example of stop-start policy making that continues to plague the entire clean energy sector. It has given the industry no time to prepare and makes business planning almost impossible.

To compound matters, the parliamentary secretary when interviewed, as was reported in today's Australian, defended keeping this decision a secret from industry when he said:

This is good budget practice, to shut a project of this nature in this way, because what it does is avoid a sudden spike in demand, it avoids budget overruns, it's responsible economic management to do this …

How absolutely remarkable that changing the goalposts and betraying manufacturers and retailers who thought the government was fair dinkum about reducing emissions is supposedly good economic practice. (Time expired)

Health

Ms PARKE (Fremantle) (19:35): I want to take this opportunity to make some comments about the government’s reforms in the area of private health insurance, and in the area of health policy more generally. It was only a fortnight ago that the parliament passed the Fairer Private Health Insurance Incentives Bill, in order to ensure that public moneys are applied as fairly and effectively as possible for the purpose they are meant to achieve, namely an equitable and high-quality health system for all Australians.

That legislation puts in place a system to direct government funding where it is most needed—to low- and middle-income earners, and to older Australians—while also providing a strengthened incentive for those who can afford private insurance to take it up. In continuing its world-leading approach to fiscal responsibility and economic management, and in the context of the challenges posed by a growing and ageing Australian population, with projected health-cost-per-capita increases in the order of 66 per cent over the next decade, this government has introduced policy measures that will make a significant improvement to the fairness and efficacy of Commonwealth support for private health insurance. In so doing, we have also introduced further changes to the Medicare levy surcharge threshold, which at $50,000 for singles in 1997 applied to only 12 per cent of taxpayers.
but which, having remained unchanged 10 years later when this government was elected, had kicked in at a taxable income that represented only average earnings. When it comes to health services and health infrastructure, the emphasis must always be on a robust and predominant public health system, which is why the government has provided a 50 per cent increase in the Commonwealth contribution to public hospitals, why we have introduced the first dedicated mental health package and why we are committed to saving more than $2.5 billion by the appropriate moderate and carefully designed means testing of taxpayer subsidies to private health insurance companies.

In this debate it is important to remember that the United States, which has a much higher reliance on private health insurance and services than Australia, spends something like 17 per cent of its national income on health care, compared to nine per cent in Australia, for worse average health outcomes. In other words, they spend twice as much on health as a proportion of GDP as we do in Australia for worse health outcomes and for starkly less equitable health services. Yet under the Howard government private memberships grew, the cost of private memberships grew, the taxpayer cost of meeting those premiums grew and the public hospital system was neglected.

This government is committed to supporting a fair and efficient mix of public and private health services within the Australian health system as a whole. We will not abandon the public health system, as the previous government did. In fact we have increased, and we will continue to increase, the federal government investment in public hospitals and health services in keeping with Labor's ethos that the free public goods that we share, including health, education, and the environment, are the foundation of an egalitarian and closely bonded Australian society. That is why, under the new COAG health agreement, the government has allocated over $64 billion to public hospitals, including an extra $750 million to emergency departments like the one that operates at Fremantle hospital, a few hundred metres from my electorate office.

Our policy reform in the area of private health cover is not earth shattering and apocalyptic, as some of those opposite would have it. It is not going to open the floodgates to anything, least of all to a dramatic drop in private health membership. What it will do is make a small but important improvement to the efficiency and fairness with which taxpayer funds are spent to support those who choose private health insurance. As I have said, this change is entirely in keeping with this government's larger policy reform themes—namely, the need to redress the 11 years of public health system neglect under the previous government; the need to recalibrate Commonwealth government spending so that it is better targeted, more efficient and fairer; and the need to address the health services and health expenditure challenges that are inherent in Australia's projected population growth and demographic change.

Only this week we received the report that points the way forward on the issue of public funding for dental care. That is a challenge this government intends to confront, but of course we can only do that if we are prepared to make the right decisions, however difficult, when it comes to the application of public funds for the best and fairest health outcomes. That is what we have done and that is what we will continue to do.

**Murray-Darling Basin**

Mr McCormack (Riverina) (19:40): Today was a momentous day for a group of dedicated women from my Riverina
electorate who came to Canberra to voice their concerns and their fears about the water issue. Formed just last month, Women for a Living Basin spent the day meeting with parliamentarians and attending a rally on the front lawns to put their case for a triple bottom line approach in any Murray-Darling Basin decision. They did their region, their communities, their families, themselves and their cause proud.

This is not an easy time for anyone who lives in an irrigation zone. A fog of uncertainty hovers over farms, businesses, families, towns and cities. No district is feeling the pinch more than the Coleambally Irrigation Area and the Murrumbidgee Irrigation Area within the Riverina. As Shona Hando of Coleambally told the Minister for Sustainability, Environment, Water, Population and Communities, her town cannot recruit a much needed schoolteacher to fill a vacancy. She said it was hard to attract medical professionals. A bad basin plan will, she said, lead to stranded assets and stranded families. 'The plan is a knee-jerk reaction to 10 years of drought,' she told the minister.

The rivers are now full, dams are at capacity and the environment, as it always does, bounced back quickly when the rains finally came to end the prolonged dry spell. The women told the minister that cod are now being caught using cheese at Narrandera, and the birdlife at Debbie Buller's Murrami property resembles, as she put it, a 'scene out of an Alfred Hitchcock movie'. Informing the minister of the great environmental stewardship of farmers, Mrs Buller said that dams were built as human resources but were now being used as environmental resources. 'You cannot use people as cannon fodder in an ideological debate,' she told the minister. Helen Dalton from Yenda, who heads Women for a Living Basin, said the basin plan, in its current draft form, was soul destroying. If the sorts of environmental flows being demanded by green groups and the loony left become legislated, the people of Darlington Point, a town established on the Murrumbidgee River in the 1860s, will have to pack up and move to avoid permanent flooding.

It was pleasing that the minister gave the women a good hearing and even delayed his next appointment to listen to what they had to say. It was pleasing that the minister said he wanted to see more infrastructure to save water, both environmental and through on-farm efficiencies. It is not pleasing that the minister's department has, only today, on page 4 of Griffith's newspaper, the Area News, paid for an Australian government ad headed in large bold capitals 'Environmental water purchase'. The minister says this is a call for expressions of interest. He says this is a new, targeted initiative. But in my view this does go against what he told the 12,000 people who turned out at the last community water rally in Griffith on 15 December and what he repeated at a meeting which attracted 3,500 people at Deniliquin the very next day.

Yesterday in question time the minister was at pains to say that this was a strategic rather than a non-strategic buyback. The minister can carefully choose his words and use anything he likes, but it is a buyback by any other name. With the consultation period for the draft to end on 16 April, why is the government continuing to put offers out there for cash-strapped farmers? These farmers are not willing sellers; they are desperate sellers. I look forward, however, to the water minister taking on board what the Women for a Living Basin told him. I do appreciate the time that he spent with them. He knows, because he said so, that food production is important.
The group also met with the Leader of the Opposition for 15 minutes to discuss their concerns about the draft plan. The opposition leader agreed that the plan needs to be torn up and started again to ensure a better outcome is reached. When discussing the need for dams, the opposition leader was again in favour, but said that any new dams need to be put in the right location. That is obvious, of course. The delegation also discussed its opposition to water buybacks. The opposition leader stated that, where buybacks are possible, people are willing sellers and the buybacks are not non-strategic, and as long as the result is not stranded farmers or stranded assets, he has no problem with them. The delegation, which included my predecessor, Kay Hull, a 12-year veteran of this place, also met with the shadow minister for agriculture and food security for 30 minutes as well with Senator Barnaby Joyce, the shadow minister for water and the shadow minister for finance, deregulation and debt. I was very pleased that the members for Murray and Farrer addressed the crowd of up to 100 people on the lawn. These people had travelled for four hours and gave up their valuable work time and family time to put their points of view across. The group also met with the member for Mayo—(Time expired)

Makin Electorate: Parafield Airport

Mr ZAPPIA (Makin) (19:45): Parafield Airport was established around 1930. At the time of its establishment, the airport's location was considered to be relatively remote and well outside of Adelaide's residential areas. Over the years, Adelaide's urban sprawl has resulted in Parafield Airport being in the middle of suburbia, surrounded by residential, recreation, industrial and business areas. The privatisation of the airport in 1997 by the Howard government saw even further encroachment, with substantial commercial developments on the perimeter of the airport and more similar developments being proposed for the future.

Parafield Airport is a general aviation airport primarily used by lighter aircraft, complementing air services at Adelaide Airport located several kilometres away. For the past 40 years or so, a main function of the airport has been pilot training with a strong reliance on international students. Flight training now accounts for most of the airport's aircraft movements. In more recent times, the airport has also been used for helicopter flight training—an even more disruptive activity.

Parafield is one of the busiest general aviation airports in Australia, with around 250,000 movements per year. Those figures have at times been higher and are very dependent on international student numbers at the flight training colleges. With changes both within and outside the airport, aviation activities at the airport are at times incompatible with surrounding residential areas—a point highlighted by the Minister for Infrastructure and Transport when he rejected the Parafield Airport master plan in May 2010. In rejecting the master plan the minister said:

Parafield Airport has failed to provide the community with accurate information about current and forecast aircraft movements and they did not adequately consult with those sections of the community that will be the most affected by aircraft noise as the airport grows. Parafield Airport should make sure that there is clear public information about the hours of flight training, agreed flight paths and contact information for the public. Over more recent years, there have been calls to have the airport relocated but, as the minister has also made clear, there is no likelihood of that occurring in the foreseeable future. The issue therefore becomes one of how best to
minimise the impact of airport activities on surrounding developments.

The primary concern is that of the flight training activities whereby trainee pilots fly in circuit over residents, at relatively low altitudes. The relentless buzzing over the homes becomes more than just a nuisance; it can be very disruptive to residential living and community activities. With much of the residential area immediately to the east of the airport being a 'hills face' development, the height of aircraft as they fly over those homes is effectively reduced and the noise is exacerbated. Most residents I speak to accept that flight training is a legitimate airport activity, although others argue that flight training is not a core purpose of the airport and that flight training over residential areas is, indeed, inappropriate because of the possible risks to residents with trainees flying aircraft.

Residents also accept that the airport was there well before the houses. What they do not accept and what they question is why the aircraft have to fly on continuous circuits above the houses and why they have to start so early in the morning, particularly on public holidays and weekends, which, for many working people, is the only time they can sleep-in or rest. Their frustration, annoyance and sometimes anger is understandable. I am advised that some restrictions do apply and that circuit training is only permitted between 7 am until 11 pm from Monday to Friday, between 7 am and 9 pm on Saturday, and between 8 am and 9 pm on Sunday. I would have thought that a later starting time on Saturday and Sunday would not be unreasonable. Whether those restrictions are being adhered to is also a matter of contention. Nor does there appear to be any restriction on flying activities on public holidays, where the commencement time of circuit training is also a common cause of complaint.

The issues surrounding Parafield Airport have been the cause of public disquiet and residents' criticism for almost three decades. Whilst there has been some success in changing airport activities, the situation is far from satisfactory, even with the introduction of airport master plans and the five-year review of those plans. It is an issue often raised with me by people in the local community.

With the recent redistribution of electoral boundaries, Parafield Airport now lies within the Makin electorate, which I represent. I therefore raise this matter in the parliament and bring it to the attention of the Minister for Infrastructure and Transport because I believe that much of the community angst and criticism could be overcome with a little consideration and better management of flight training activities at the airport.

**Queensland: Wild Rivers Legislation**

**Mr TEHAN** (Wannon) (19:50): I rise tonight to call on this parliament to bring the Wild Rivers (Environmental Management) Bill before it. I especially call on the Independents and, in particular, Rob Oakeshott, to honour the agreement they made—

**The SPEAKER:** Order! The honourable member for Wannon will refer to the honourable member for Lyne by his title and not by his name.

**Mr TEHAN:** I call on the member for Lyne, in particular, to honour the agreement that he made with this parliament and see this bill come before this House. The wild rivers bill overrides the Queensland government's Wild Rivers Act, which has effectively taken away Aboriginal land rights on Cape York. Under the act there can be no development of any kind within one kilometre of any stream flowing into a designated wild river, without ministerial permission. The process required to obtain
permission is not only beyond the capacity of local Aboriginal people and their organisations; it is even beyond that of large mining companies, as the abandonment of a proposal for a new bauxite mine near Weipa has shown.

The wild rivers bill has the enthusiastic support of local Indigenous leaders, including Noel Pearson and the chairman of the Cape York Land Council. So the bill should be allowed to be brought before this parliament. But instead, what has happened? The bill has been considered by the House of Representatives Standing Committee on Economics, the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry and twice by the Senate Legal and Constitutional Affairs Legislation Committee and now it is being referred to the House of Representatives Standing Committee on Social Policy and Legal Affairs. It has not been allowed to be brought before this House, and that is a disgrace. How is this process being handled? It is being deferred from coming before this House by actions of the House select committee.

The reason I am worked up about this matter is comments made by the member for Lyne to David Spears on Sky News on 27 February. David Spears said:

Tony Abbott has introduced legislation into this parliament. The wild rivers legislation is one example of it, so it is unfair to say that he is simply being completely negative. Rob Oakeshott: Yes, well, where is it?

David Spears: It's gone to a committee, hasn't it?

Rob Oakeshott: Yes, so you know. He can negotiate that through. He can talk to all the parties involved. No-one is holding him up. Well, they are. The House select committee is holding him up. It is referring this bill to five committees so that it cannot come before this House. Let us have a look at what the member for Lyne said in the courtyard when he made that famous 18-minute speech.

We do value the vote in the parliament and our communities recognise that. We will commit to maintaining as much as possible full voting rights on all issues before the parliament.

Honour your word. Let it come before this House. What is in the Agreement for a Better Parliament, on parliamentary reform?

For these improvements to work it will take a commitment by all MPs to respect the cultural change that these changes bring. While the community demands a feisty and testing parliamentary floor, there will be a need for recognition by all to allow more MPs to be involved in various roles and debates, to allow more community issues to be tested through private members voting.

That is exactly what we want to see.

Sadly, it seems in this case that the member for Lyne has caught 'Gillard's disease'. For those of you who have never heard of this disease—

The SPEAKER: Order! The honourable member for Wannon knows well enough to refer to the honourable the Prime Minister by her title.

Mr TEHAN: It seems that the member for Lyne has caught a rare disease. For those of you who have never heard of this rare disease I will inform you of its symptoms: an inability to lie straight in bed; an inability to look people in the eye; and an inability to answer any question with a straight and honest yes or no. The member for Lyne should stop this charade. The member for Lyne should understand what is happening to this bill—five times referred to a committee to stop it coming before this parliament. It is time that he acted. It is time that the House select committee acted and brought this bill to this floor so that we can vote on it.

The SPEAKER: If the honourable member for Wannon is referring to the
Selection Committee of which I am the chairman, he ought to look at the standing orders of the House.

Queensland: Wild Rivers Legislation
Northern Development

Mr KATTER (Kennedy) (19:55): That was a rather curious speech. It reminded me that we have put a lot of pressure on the Leader of the Opposition. I do not wish to disparage him on this; I wish to congratulate him. I think it is an excellent move but it should have been brought on before the Greens captured control of the Senate. If it had been brought on then we could have got it through. Well, I am sorry but your side of the House did not bring it on. It should have been put in the Senate then and I pleaded with you people to do that. I do not want to be critical, I must emphasise—

The SPEAKER: Order! The member for Kennedy will direct his remarks through the Chair.

Mr KATTER: Mr Speaker, I do not wish in any way to disparage the Leader of the Opposition on this. I think his actions have been laudable but I must make mention of the fact that it was available to you people to bring it on before and it could have got through. Now you are very anxious to get it put through and you know you cannot get it through. Excuse me for saying, there might be a little bit of hypocrisy involved here in an issue that is of immense value and importance to my particular area.

The SPEAKER: Order! The honourable member should withdraw the term 'hypocrisy' with respect to the Leader of the Opposition.

Mr KATTER: I withdraw, Mr Speaker. Moving on to what I would like to speak about this evening, over many occasions I have drawn the attention of the House to the fact that more than half of Australia's entire water run-off is in the Kennedy electorate. I have pointed out on numerous occasions that the northern third of Australia has 304 million megalitres of water run-off and there are only 83 million megalitres in the southern two-thirds, which include little, narrow coastal streams that are of no use to anyone with the exception of the Murray-Darling Basin.

It is extraordinary that the government of Australia continues to try to run agriculture where there is no water and do no agricultural development where there is water. Yet, that has been the way it is. Years ago the Queensland government—God bless them—was building a dam every two years. They got up to Emerald and Ayr and the government fell at the end of 1989. The new government that came in never built a dam. The LNP state government that came in never built a dam. The LNP government that was here federally for 12 years never built a dam. The ALP state government that is there now in its years in office has never built a dam either.

In a country that is closing down part of the Murray-Darling because there is no water and cutting back on our agricultural production, would it not have been logical to proceed with some dam proposal in Northern Australia? But in 12 years the LNP never built a dam in this country—never attempted to—despite the great energies and exertions of Senator Bill Heffernan, who gave his first speech in this parliament along those lines.

If an Australia Party government is elected in Queensland—please God, it will be—it will immediately introduce ethanol into that state. That will fix up the grains, the cattle and the sugar industries. More importantly for all of the people of Queensland, it will lower the price of electricity and lower the price of petrol. I filled up in the United States at 84c a litre, I
filled up at Sao Paulo at 74c, and I came back to Australia and filled up at 139c a litre. What a wonderful vista this would open up—some 10,000 jobs and dams at Georgetown, at the back of Mareeba, west or north of Charters Towers, north of Townsville. If properly done, those dams would almost double Australia's agricultural production potential. We have to have something we can make a quid out of and for that we need ethanol.

There was a failure to build any infrastructure in those 12 years and a failure by this state government up to date. But I cannot criticise them because they have been very strongly committed to transmission lines to bring electricity to north-west Queensland. Of the vast mineral resources there, 33 projects cannot go ahead because they do not have electricity. If those projects did have electricity and a short canal into the Gulf of Carpentaria they would be able to produce for this country an extra $12,000 million a year. Would that not be a wonderful thing to happen to our country, to provide jobs when people are desperate for jobs, particularly some of our first Australian people who are concentrated in those areas and prevented from any development by the Wild Rivers? That is a disgrace and a reflection upon every person associated with it. (Time expired)

The SPEAKER: Order! It being after 8 pm, the debate is interrupted.

House adjourned at 20:01

NOTICES

The following notices were given:

Ms Collins: To present a Bill for an Act to amend the Equal Opportunity for Women in the Workplace Act 1999, and for related purposes.

Mr Gray: To present a Bill for an Act to amend the Public Service Act 1999, and for related purposes.

Mr Gray: 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: Construction of a new Australian Embassy complex including Chancery and Head of Mission Residence in Bangkok, Thailand.

Mr Gray: 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: HMAS Albatross redevelopment, Nowra, NSW.

Mr Gray: 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: LAND 17 Phase 1A infrastructure project.

Mr Gray: 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: RAAF Base East Sale redevelopment, Sale, Vic.

Mr Cobb: To move:

The DEPUTY SPEAKER (Ms AE Burke) took the chair at 09:30.

CONSTITUENCY STATEMENTS

School Uniforms

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (09:30): I want to draw the attention of the Federation Chamber to the situation in Queensland, where more and more of the uniforms for schools are being purchased overseas.

I have been in contact with Symon's Quality Clothing. They are a company in Brisbane that already supplies the Queensland Police Service, the ambulance service, the Department of Community Safety and a number of other corporate organisations that are government-owned and part of the Queensland government's responsibilities. What concerns me is that this company—Symon's Quality Clothing—employs some 17 to 20 highly qualified employees, who are paid in accordance with federal and state awards. This includes sick leave, long service leave, annual leave, superannuation and all other entitlements. They also comply with all the health and safety regulations and have no outside contracts let that would perhaps breach the commitment that Symon's Quality Clothing has to Australian workers.

It has been brought to my attention that a number of schools who used to buy their blazers through Symon's Quality Clothing—and I would say that they cost between $190 and $230 including GST, made to measure—are now sourcing their blazers overseas. In other words, they are taking jobs away from Queensland and Queensland workers through this process of purchasing blazers offshore. These jobs are being lost to Queensland.

These schools, whether they are public or private—I do not mind who they are—are now after more money. They get grants annually which are taxpayer funded. They use those grants to build their schools, which is only right and proper. But they should now do the right thing by the taxpayers of Australia, including those workers in Symon's Quality Clothing who make these clothes and whose jobs are at risk if this practice continues. It is their taxpayer dollars which are going to those schools. Some of those schools are the GPS schools of Queensland and around Brisbane and some are state high schools around Queensland—particularly in the south-east corner. But those jobs are being lost. And if those schools think that they can continue to demand or ask for—and they currently get—taxpayer grants annually to support the education they are providing to children then they should do the right thing by Queensland workers.

They are taking taxpayer dollars and using those taxpayer dollars to build the reputations of their schools. They should also support Queensland and Queensland workers. They should at least be giving Symon's Quality Clothing the opportunity to provide a quote which is competitive against those that are sourced overseas. I put it to the Premier to make sure that they continue to support Symon's Quality Clothing. (Time expired)
Insurance Industry

Mr NEUMANN (Blair) (09:33): It is time that the insurance industry in this country did the right thing by our country, by our communities and by their customers. In light of the House of Representatives Standing Committee on Social Policy and Legal Affairs report in the wake of disasters, insurers need to respond to all the 13 recommendations of the committee and work with the government to make sure that they comply with those recommendations and earn the trust and respect of the people of my state of Queensland and of this country.

This report has received a lot of publicity in Queensland. The Queensland Times headline read, 'Insurers facing walk of shame' and at the Courier Mail it was, 'Insurance companies could afford to implement recommendations of flood report says Ipswich's Shayne Neumann'. The Gatton Lockyer Brisbane Valley Star, where Grantham was, also reports these recommendations. And from as far away as the Cairns Post: 'What a disaster inquiry'.

The evidence in this inquiry was damning. The insurance industry needs to respond to this. We want an insurance industry in this country that is competitive, profitable and viable. But it needs to be efficient, effective and responsive. There needs to be greater accountability and transparency. The insurance industry should not say that there should be higher premiums. Let us see what the Australian Prudential Regulation Authority statistics from September 2011 say. They say that the private sector insurance industry generates more than $35 billion each year, with assets close to $114 billion. Annual profit was reported at $5.6 billion. They can afford to respond. We are recommending that ASIC and the Financial Ombudsman Service undertake a process of naming and shaming.

No longer should there be a situation where these organisations hide behind provisions in legislation and a voluntary code of practice and regulations that are simply not good enough. Why should they be exempt from unfair contract obligation? Why should the insurance industry be protected when there are breaches of the principle of utmost good faith? Why should there be a voluntary code of practice? There should be one that is mandatory across the industry. Why should they have a get-out-of-jail-free card in 4.3 of the voluntary code of practice? Why should they be allowed to treat people with such disdain and disrespect? It is time that they responded. It is time that they complied with their obligations. Insurance companies are part of our community. They have obligations. There is a social contract. They have treated the people of Ipswich, the people of the Somerset region and the people of south-east Queensland and Brisbane with disdain and distrust. It is time that the insurance industry had a good hard look at itself and started to work with the government. I call upon the Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations to work with the insurance industry. I thank him for his support and cooperation with respect to the terms of reference. There needs to be a standard definition of what is required and what obligations need to be fulfilled. (Time expired)

Clean Up Australia Day
Leukaemia Foundation's World's Greatest Shave
Teal Ribbon Day

Mrs GRIGGS (Solomon) (09:36): This Sunday is Clean Up Australia Day and I will be doing my bit to collect and remove rubbish from my local community. This year I will be
focusing my efforts on cleaning up the beautiful Darwin esplanade. I will have a team of
volunteers with me who, like me and my coalition colleagues, care about the environment.
We will do everything practical to ensure that we protect our environment and to ensure its
ongoing sustainability. Plastic bottles, cane toads and a street sign were just some of the items
I found while cleaning up last year. I am really encouraged by the number of people who want
to get involved again this year. It is great to see so many people wanting to make a difference
in their local environment.

This year, it is anticipated that clean-up activities around the world will involve around 35
million people from around 120 countries. This is proof that the initiative started in Australia
in 1989 by Ian Kiernan now has universal appeal. The health of our environment is important
to us all.

I would also like to mention another worthwhile cause that I am supporting: the Shave for a
Cure. I am participating again in the Leukaemia Foundation's World's Greatest Shave, helping
the fabulous Shelley Ryan from the Leukaemia Foundation in the Northern Territory to
courage Territorians to get involved. From 15 March to 17 March hundreds of Territorians
will get sponsorship to wax, colour and shave their hair to help locals with blood cancer. Once
again, my team, Wiggsy Griggsy, will be fundraising and raising vital awareness of the
important work that the Leukaemia Foundation does.

On Friday 16 March, local small business operator Jason Hanna, owner of the Deck Bar,
will throw open the doors of his iconic business to support this worthwhile cause. My team,
Wiggsy Griggsy, will be on standby at the Deck Bar to colour, shave, wax and clip all types
of hair in the name of charity. It is amazing how daring and generous people are when they
know that the money is going to a good cause. Last year I gave some pretty groovy hairstyles
and colours to willing participants, who did not seem to mind that I did not have any
hairdressing experience at all. That is what is so good about this initiative: people are willing
to forgo about their own appearance in order to help others.

Finally, today is Teal Ribbon Day. I am wearing this ribbon in support of Ovarian Cancer
Australia. Each February, Ovarian Cancer Australia run a national awareness campaign to
highlight the symptoms of ovarian cancer and to raise much-needed funds for its support
programs. Teal is the international colour for ovarian cancer. I am encouraging everyone to
purchase and wear one of these ribbons to show your support and to raise awareness of this
disease, which kills one woman every 11 hours. Last week, the Territory ovarian cancer
ambassador, Alice Burton, held a very successful 'cocktail' party at il Lido. They are another
fabulous Territory business that generously supports the local community. These teal ribbons
are available in my Darwin electorate office. (Time expired)

*Duyfken*

Ms PARKE (Fremantle) (09:39): In September this year, the *Duyfken*, a faithful replica of
the Dutch ship that first brought Europeans to Australian shores in 1606, will return to
Western Australia after several years travelling the east coast of Australia and a period on
display at the National Maritime Museum in Sydney. The *Duyfken's* return to Western
Australia represents a new chapter in the life of this remarkable ship and I congratulate the
WA government on providing funding support that will underwrite the *Duyfken's* operational
future well into the next decade.
The story of the *Duyfken* and of the Dutch exploration of Australia has had a central part in our maritime history. It includes the bone-chilling true story of the shipwrecked *Batavia* and the adult *Lord of the Flies* scenes that unfolded, which is the subject of an excellent book by Peter Fitzsimmons called *Batavia*. Only a few days ago, it was reported that another Dutch ship from the Age of Discovery, the *Aagtekerke*, had been discovered off the West Australian coast.

Since being put to sea in 1999, the *Duyfken* replica has been a symbol of peaceful exploration and of cultural and historical linkages between Australia and other countries. There is no better example of these friendships than the friendship between Australia and the Kingdom of the Netherlands. Dutch immigration contributed significantly to Australia's economy in the 1950s and Dutch migrants have made a very meaningful contribution to Australia's multicultural society. Dutch seamen also fought alongside Australians in the Pacific War, earning the epithet of Fourth Ally. Since that time, Australia and the Netherlands have remained firm allies and friends.

In 2002 the *Duyfken* travelled to the Netherlands to celebrate the 400th anniversary of the creation of the Dutch-East India Company and in 2006 the ship circumnavigated Australia as part of the 400th anniversary celebrations of European discovery of our vast continent.

At a Dutch-Australian heritage event that I attended only last week at the Fremantle Maritime Museum's shipwreck gallery, Dutch Ambassador Willem Andreae highlighted our nations' shared history and expressed a desire to develop stronger heritage ties between our countries, including through a new website, culturalheritageconnections.org.

In the coming months and years the *Duyfken* will be called upon to act as an ambassador between the Netherlands and Australia and as a representative of Australia to other nations around the world. 2016 will see the 400th anniversary of Dutch explorer Dirk Hartog's landfall in Western Australia. Dirk Hartog made his extraordinary journey on a ship very much like the *Duyfken* and the 'little dove' will have a role to play in the anniversary celebrations. There is also a proposal for the *Duyfken*, with help from the federal government, to be among a fleet of ships participating in the centenary re-enactment of the Anzac fleet's departure from King George Sound, in Albany. The *Duyfken* will be the only vessel to complete the entire journey to arrive at Gallipoli around April 2015. The journey to Anzac Cove represents the *Duyfken* 1606 Replica Foundation's most ambitious project to date, with plans to involve young people from each of the nations involved in the Gallipoli campaign so they can sail as one in remembrance of those who, 100 years earlier, embarked on a very different journey. I welcome the return to Western Australia of the *Duyfken* and I look forward to supporting its important cultural role in the years ahead. *(Time expired)*

**Australia Day**

*Mrs PRENTICE* (Ryan) (09:42): On Australia Day, I had the privilege of welcoming many new citizens to my electorate. It was a global gathering, with new Australians from the United Kingdom, New Zealand, Canada, China, Mauritius, India, Uganda, Brazil, South Africa, the Philippines, Malaysia, Colombia, and South Korea. As Co-chair of the Parliamentary Friends of the Australian Flag, I was delighted to see Mr Allan Pidgeon, President of the Australian National Flag Association at our ceremony. Our flag was of course prominently displayed on the stage and I was proud to present each new citizen with their own at this event and at a number of other Australia Day events within the Ryan electorate.
We also provided an information kit explaining the history and traditions of our flag and of our national anthem and explaining our indigenous flora and fauna.

Each year, more than 100,000 people settle in Australia, contributing to the social, cultural and economic development of this country. And I know that these new citizens who pledged their commitment to our country on Australia Day will bring with them the rich experiences and cultures of their countries of birth and will continue to enhance the vibrant multicultural fabric that we see in the Ryan electorate and in Australia.

We are often witness to the struggles of people in other countries fighting to build democracies, a system of government that we take for granted. I find it particularly heartening to hear new citizens pledge themselves and commit to the future of Australia and to our democratic system of government. I would particularly like to thank the Rotary Club of Toowong for again hosting one of the ceremonies: President Caroline Cottman, and most especially the club director of community services, Len Hepburn, who, as well as other members, volunteered on the day to make the event a great success. As a non-political, non-religious organisation of business and professional leaders, the Rotary organisation world wide has the core mission of providing humanitarian services, encouraging high ethical standards in all vocations and helping build goodwill and peace in the world. Many of the ceremonies in Ryan on Australia Day were organised and hosted by Rotary clubs and other services organisations. The Inner West Lions Club and Councillor Julian Simmonds added an extra Australiana feel to their event by including a koala from Lone Pine to welcome new citizens—indeed, the very same koala who greeted the Queen on her recent visit. The Rotary Club of Toowong, one of nearly 32,000 branches worldwide, was chartered in 1965 and since then has developed a very broad range of humanitarian and community service projects that serve as an important safety net for residents in Ryan, providing financial and technical resources and people for a broad range of community service projects within our local area as well as nationally and internationally. I want to take this opportunity to publicly acknowledge the great inspiration that this provides to other members of the community, new and old, to help others. I look forward to attending many more such ceremonies throughout the year and welcoming new citizens to Australia on behalf of the citizens of Ryan. I believe that our communities are like the environment—through diversity comes strength.

Deakin Electorate: Tinternvale Primary School

Mr SYMON (Deakin) (09:45): I rise today to talk about another great project in the electorate of Deakin, the opening of the Tinternvale Primary School multipurpose hall back on 15 December last year, which was the second last week of the school year and a very busy time. I would like to acknowledge some people who turned up to the opening ceremony for the work that they put in—Irene Harding, the principal of the school, who has done so much through the project, and also the previous principal, Lorraine Gamble, who was there when I first went out to the school to explain what the purpose of the BER was way back in 2009. It has been a long project and it is now finished. It was not easy. There were issues with flood levels from the nearby creek. Now that has all been resolved, it has really made the school. The school itself, like so many schools in my electorate, was built many years ago and has not had much major work done for decades. In fact, the last major work was done in 1978. That is a huge period of time for what is still a growing area in many ways, especially as the school
was merged a couple of years ago after the closure of Croydon South Primary School and the migration of most of the children from that school across to Tinternvale.

The day itself could not have happened without the organisation of the school captains, Max Hoddinott and Maddie McQueen, and the school vice captains, Ben Brearley and Imogen Allchen. The school council president, Kelsey Phelan, and the previous school council president, Rod Teggelove, also spent a lot of time along the way to make sure that the school got the best project they could. The result now stands for itself.

Unusually for a school in my area, the full-size hall they now have is right out the front of the school and it really makes a difference. It has changed the whole outlook of the school. The school has also now received money under a state program for a partial rebuild and it is really looking up. What was looking quite neglected in some ways prior to this, with a great school inside, now looks like a great school from the outside as well. That is very important for all our schools because so much rides on what parents see at first glance. It should not be so, but many of us in this place know it is.

It was a particular pleasure to actually go out and open it on the day. The school children organised a miniature fair out the front so everyone could play games, throw balls and try to toss coins into rings, most of which I failed at quite spectacularly, but it did make them quite a bit of money. It was an enjoyable day and those sorts of things are really good for the local community and really good for the children to see. It is a great result and I congratulate Tinternvale Primary School on their building.

**Casey Electorate: Gladysdale Primary School**

Mr TONY SMITH (Casey) (09:48): Last Wednesday I had the pleasure of attending the Gladysdale Primary School leadership presentation at their school assembly. Gladysdale, in the upper Yarra Valley, is a small but very dynamic country school with a great history. The school was founded in 1918. It has just 78 students. It was my pleasure to attend their leadership presentation and present leadership certificates to all of the school leaders. I want to pay tribute to the new principal of Gladysdale Primary School, Mr John Shackleton, who has taken over this year from Mr Garry Lewis, who had been principal for a decade. I had the privilege of presenting certificates and badges to: the school captains, Natasha Elderhurst and Max Knight; each of the house captains, Bill Bishop, Jaclyn Ritchie, William Grace, Ellie Smith, Tyler Green, Jasmine Maassen, Boadie Morrissey and Emerson Woods; the ICT monitors, Sophie Liszka, Boadie Morrissey and Jesse Pride; the library monitors, Jodie Bishop and Karrie Firth; and SRC President Jaclyn Ritchie, Vice-President Emerson Woods, Secretary Natasha Elderhurst, treasurers Cody Dunne and Aidan McNiff, and fundraisers Tristan Charlwood, Ryan Eagleton and Zac Green.

Gladysdale Primary is a wonderful school with a great history, as I said. As is so often the case with small country schools, it is the community hub of that town. This is well exemplified each year by the Gladysdale apple and wine festival, which the school hosts exclusively as a fundraising event for the school. They have raised between $10,000 and $15,000 each year, weather permitting. The country style festival held on the first Sunday in May for the last 27 years celebrates the autumn apple and grape harvest in the Yarra Valley. Locals and visitors from further afield look forward each year to the festival and to the opportunity to go along to the school and contribute to a fundraising effort for the school. It was great to be there last Wednesday. I want to congratulate in this House all of those
students who have taken on a leadership position and, again, the principal, Mr John Shackleton, who has taken on that important role this year at that great school.

**Lindsay Electorate: Nepean Legacy**

Mr **BRADBURY** (Lindsay—Parliamentary Secretary to the Treasurer) (09:51): I recently had the pleasure of attending the 50th anniversary of a wonderful organisation in my local community, Nepean Legacy. Legacy was born out of the promises made by World War I diggers to care for the families of their mates should anything happen to them during their military service. Since 1962 Nepean Legacy has been keeping that promise alive in my local community for families of Australian war veterans killed or injured during their service.

The spirit of Legacy is service. It is an organisation that honours the service of those brave Australians who fought for the freedom of our nation and made the ultimate sacrifice. Nepean Legacy currently offers support to 540 local widows, two TAFE students and 15 people with disabilities. Since being officially formed in 1962, Nepean Legacy has provided invaluable assistance to over 10,000 local families, protecting their basic needs, advocating for their entitlements and providing them with emotional support.

Nepean Legacy has a strong group of dedicated volunteers from all walks of life united in their selfless commitment to the Legacy cause. These generous volunteers regularly give up their time to advance the great work of Legacy in our community through fundraising and coordinating events. Over the past 50 years, Legacy has gone from strength to strength. One legatee has been involved every step of the way. St Mary's resident and World War II veteran David Trist was one of the original 12 members who formed Nepean Legacy. David is now 87 years of age and remains one of the group's most active members, currently holding the position of publicity officer. His passion for assisting others in need is an inspiration and I thank him for his service to our community and to our nation.

I would also like to acknowledge the contribution of Nepean Legacy Chairman Jeff Townsend. Jeff is passionate about the continuity of Legacy in our local community. He has called on junior legatees, who are children assisted by Legacy, to get involved in the organisation so that its important work can live on. I recognise Nepean Legacy secretary Louise Rumble of South Penrith. Louise is working to return the helping hand that was offered to her from Legacy following the death of her father in the Second World War. She has assisted hundreds of local families, and I thank her for her compassion, her contribution and her dedication. I would also like to acknowledge the hard work and commitment of Nepean Legacy Treasurer Nick Shaw and Sergeant-at-Arms Ross Burns, who was also the MC at the 50th anniversary celebrations.

Fifty years of service is an outstanding achievement. I congratulate and thank the many volunteers who have made this possible. I hope to see the great work of Nepean Legacy continuing in my local community for many years to come.

**Cowan Electorate: Northern Men's Shed**

Mr **SIMPKINS** (Cowan) (09:54): Last Sunday I visited the Northern Men's Shed, which is located in the suburb of Wangara in the electorate of Cowan. Since its official launch in November last year it has been very popular and has had many membership inquiries. The Northern Men's Shed is run differently to the other two men's sheds in my electorate. They have made an arrangement with local businessmen to use a very well-set-out shed, which is
well equipped with carpentry machinery. In the short period that they have been open they have already built two workbenches for their workshop and are well into making a third. Other projects include the making of wooden toys. It was great to hear the committee members of the club encouraging the members to try and make two of whatever they were making so they could donate or sell one to the local community.

The members of the Northern Men's Shed that I met during my visit last week came from a variety of backgrounds. There were businessmen, tradesmen and professionals, to name a few, but the consistent theme was that everyone was willing to help and support each other to get the projects done in a fun and relaxed manner. For their leadership I acknowledge Ken Kingwell and John Corbett, but I would also like to make special mention of one member I met, Keith Povey. Despite being 88 years old, Keith was highly active in the shed in giving carpentry lessons to other members.

I believe that men's sheds right across the country play an important role in getting men involved in new ventures, meeting new mates and in some cases keeping physically active. The groups bring together a range of men who may not otherwise interact due to their occupation, age or location. I was also told that men's sheds can be useful for fly-in fly-out workers who are looking for daytime activities when they are home, because the majority of their friends work during the day.

However, one thing that did become apparent during my visit was the need for more mainstream funding. I was informed that when applying for funding men's sheds had to identify whether they had members of particular races or minority groups. It seems that, if the members are of white Anglo-Saxon origin, they are less likely to receive funding. In my view, any men's shed, regardless of the make-up of their membership base, would benefit from funding for new materials and tools, and all groups should get their fair share of funding. So I call on the Prime Minister to address the funding criteria for men's sheds. I note that one of the patrons for men's sheds is, of course, Tim Mathieson. Perhaps the she could chat to Tim about the importance of funding for men's health initiatives, regardless of their race, religion or physical abilities.

In conclusion I would like to congratulate the Northern Men's Shed on their successful opening and wish them all the best for expanding their club. The club has big plans and has a lot to offer to the local community. I look forward to learning and seeing some of the projects they are working on completed. It was clear that the members were enthusiastic about the Northern Men's Shed and the men who were present were keen to participate in making things. This is an excellent men's shed that provides great benefits for fun, recreation and wide-ranging therapeutic benefits. I wish them all the best for a very successful and positive future.

Melbourne Electorate: Energy Infrastructure

Mr BANDT (Melbourne) (09:57): Sustainable power supply should not come at the price of people's health or the cost of their amenity. With my Greens colleagues we have effectively facilitated a national focus on clean, renewable energy. I am now turning close attention to the impact of energy infrastructure on communities. Residents in my electorate of Melbourne are facing the prospect of living alongside a 66-kilovolt terminal station, plans for which have been granted executive approval by the Baillieu government. I note that the member for Wills is in the chamber too and I am glad he is, because I know he has raised this issue as well.
Already cohabiting with a 22-kilovolt facility, residents are rightly concerned about the intervention to approve the expansion and bypass the scrutiny of the Victorian Civil and Administrative Tribunal. Chris Black, Ramon Collodetti and other members of the Merri Creek Residents Group have been campaigning tirelessly for their community, and on their behalf I am now continuing to bring to the attention of the federal parliament the following concerns about the proposal.

Firstly, the requisite regulatory test provides insufficient scrutiny of the social impacts of the facility and does not require independent analysis of the health and safety risks. I have written to the Minister for Resources and Energy to bring his attention to this. Secondly, residents are rightly concerned about the current absence of Australian standards for exposure to electromagnetic fields. The draft standard has not yet been approved, leaving open the possibility of an unsafe environment for families. Furthermore, debates about the safety of the proposed facility and the appropriate EMF levels have focused on international standards for critical exposure rather than chronic exposure. While the predicted EMF levels may fall beneath international standards for critical exposure, residents will be in streets registering EMF levels of four to eight to milligauss. Over time, levels above three milligauss correlate with a higher risk of childhood leukaemia. There are also concerns for children living under the high voltage line further down the line in the electorate of the member for Batman. One report on this site suggests that warning signs can be installed to deal with high magnetic field values on that footpath immediately above the underground cables—poor comfort for the residents who are using these footpaths daily. I have written to the health minister to request immediate advice on the progress of the standards.

Thirdly, the intervention by the Victorian government has denied residents their right to participate in the planning process. I have written to the Premier expressing my concerns. Fourthly, expansion of the terminal is based on outdated data regarding power consumption in Melbourne and is inconsistent with the reformation of the National Electricity Market to remove the bias towards centralised coal fired power generation and encourage demand management and the development of distributed generation and renewable energy. Ironically, the unique Moreland Energy Foundation, with its forward-thinking plan to make Melbourne self-sufficient in energy supply through the introduction of cogeneration, takes in Brunswick and the site of this facility. I join with residents to call for an immediate independent review of this proposal.

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

BILLS

Antarctic Treaty (Environment Protection) Amendment Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr KELVIN THOMSON (Wills) (10:00): The Antarctic Treaty (Environment Protection) Amendment Bill 2011 implements Australia's international obligations arising from three measures adopted under the Protocol on Environmental Protection to the Antarctic Treaty, which is known as the Madrid protocol. It contains amendments to the Antarctic
Treaty (Environment Protection) Act 1980, amending it to extend the scope of the legislation; provide the ability for the minister to grant a safety approval and environmental protection approval and to impose conditions on such approvals; implement new offences and civil penalties regarding unapproved activities, activities carried on in contravention of the conditions imposed by an approval and offences and civil penalties related to environmental emergencies; establish a liability regime for environmental emergencies that occur in the Antarctic; establish an Antarctic environmental liability special account to receive payments from operators for the costs of response action to an environmental emergency caused by their activities in the Antarctic; implement new offences and civil penalties applicable to tourist vessels operating in the Antarctic; and make a number of minor and technical amendments to the act.

This is legislation consistent with Australia's strong support for the Antarctic Treaty and for the protection of Antarctica. The measures will enter into force when they have been approved by all 28 consultative parties to the Antarctic Treaty, including us. People will be aware that Australia has been a world leader in Antarctic protection and research, and these amendments continue our commitment to protecting what is the last pristine continent on earth.

The environment minister—I am pleased that he is here—has advised the parliament that the amendments will ensure safer and more environmentally sound regulation of operators on the fragile continent. As he has said, Antarctica is the last great unspoiled continent. These changes will mean that we are better able to ensure operators respond to environmental emergencies and to regulate the number of tourists landing in Antarctica. We will also be able to take action against those who fail to comply with the environmental or safety regulations.

As we celebrate the 20th anniversary of the entry into force of the Madrid protocol, it is timely that Australia strengthens the framework for the environmental protection of Antarctica. Australia was one of 12 original signatories to the treaty and a principal architect of the Madrid protocol, which designates Antarctica as a natural reserve devoted to peace and science. One of the important achievements with regard to Antarctica in the past has been the bipartisan approach to its conservation. We have taken a leading role in its protection since former Prime Minister Bob Hawke joined forces with former French Prime Minister Michel Rocard to prevent the mining of Antarctica 20 years ago and to protect the continent from exploitation. In 1989 our government decided with France to veto the Antarctic Minerals Convention and instead to press for an environmental protocol, which is now known as the Madrid protocol. That happened back in 1991.

I notice that Bob Hawke has again joined forces with Michel Rocard to warn against mining in Antarctica. The two men were present in Hobart in October 2011 at an event hosted by the Australian Antarctic Division to commemorate the adoption of the Madrid protocol. Mr Rocard said:

Antarctica is the only place to be managed correctly ... Antarctica has taken the rank of the only success of humanity in common management.

He believes that signatories need to work together now to protect the integrity of the Madrid protocol. He says:

National egotism is still the behavioural rule in the world ... The Antarctic Treaty is a good start to begin to say, 'Stop it, and let us be reasonable together'. We can be reasonable, only if we are together.
It is noteworthy that the next Antarctic Treaty Consultative Meeting is in Hobart later on this year. Bob Hawke has described it as an opportunity for all parties to strengthen the foundations of the Madrid protocol, particularly the 16 countries who have signed but not yet ratified. I also note that Rory Medcalf, who is the Director of the International Security Program at the Lowy Institute, says some powerful countries are taking more interest in Antarctica's resource potential. He says:

… we've seen activity in the Arctic in recent years, particularly from Russia, China, Canada and others, and the question is beginning to rise: what about the resource potential of Antarctica? This is many years off in terms of exploitation, but preparations seem to be beginning to get underway now.

Mr Medcalf says that there are signs that Russia, China and the US are expressing an interest in Antarctica. He says:

The question is that countries like Australia, that established claims a long time ago, over much of this territory, do not actually have much presence in Antarctica. We have three stations that are beginning to get out of date in certain ways … we don't have year-round to territory that we claim.

It is his view that we should start sending more ships and researchers to Antarctica. He says: Australia needs to invest more in logistics.

If we don't establish a clearer scientific and surveying presence in Antarctica then, by 2048, when the Madrid Protocol is up for review, Australia's claim—

will not be as strong as it might be.

I, and I dare say many others, have been contacted by Dr Geoff Mosley, who is a convenor of People for an Antarctic World Park. Dr Mosley is the author of the book Antarctica, Securing Its Heritage for the Whole World: The Case for World Heritage Listing and How Listing Can Be Achieved. He is a very energetic campaigner for Antarctica and he has urged upon us all that Antarctica be considered for inclusion in the World Heritage List. He says:

At present this is not possible because of the way the Convention is written. Currently it applies only to areas where there is sovereign jurisdiction. … the Antarctic Treaty which came into force in 1961 froze the claims including that of Australia to 42% of the Antarctic continent.

So we have the unacceptable situation in which an area with arguably the best claim for World Heritage recognition for its physical environment and for the example that has been set there in banning all military (including nuclear) activity and providing for scientific cooperation is outside the scope of this pre-eminent conservation treaty.

Inclusion of Antarctica in the World Heritage List would help increase public understanding of the important role the continent and its ice plays in the processes of the biosphere and provide inspiration for other international environmental goals and agreements. It would also create an additional 139 nations with a stake in the area's future.

He argues that the Antarctic treaty system on its own does not provide adequate environmental protection for Antarctica, even though it needs to be noted that the Madrid protocol in particular has led to a moratorium there on mining. He says that a majority of nations—the ones that are not signatories to the Antarctic treaty—are not bound by the mining moratorium and that World Heritage listing would bring additional countries, as state parties to the World Heritage convention, to commit to the complete protection of the Antarctic region. He further says that, should Antarctica be placed on the World Heritage
List, it should also be placed on the List of World Heritage in Danger because of the 'serious and specific danger' forced on the region by climate change.

I mentioned earlier that 2012 has the potential to be a very important year in terms of Antarctica because the 33rd Antarctic Treaty Consultative Meeting will take place in Hobart in June, and it is also the 40th anniversary of the World Heritage convention. Dr Mosley has made contact with the Joint Standing Committee on Treaties, which it is my honour to chair, about this issue, and we have had a briefing from departmental officials about the issues at stake. At present, Antarctica's inclusion on the World Heritage List is not possible because the World Heritage convention, as it is written, can only apply to areas over which there is sovereign jurisdiction, and claims to sovereignty over Antarctic territory are by agreement held in abeyance under the Antarctic Treaty. Instead, activities in Antarctica are administered jointly by a number of countries under the Antarctic Treaty system, that framework of agreements and multinational administrative bodies under the auspices of the Antarctic Treaty. The Australian government has the view that, because of the complexities of Antarctic sovereignty, World Heritage listing: (a) is not possible without having a sovereign nation or a number of sovereign nations bringing a proposal forward and; (b) causes diplomatic difficulties of a kind which could turn out to be counterproductive.

The Antarctic Treaty itself was signed in 1959 by 12 nations, including Australia. It now has 49 state party signatories. Among other things, the treaty stipulates that Antarctica should be used exclusively for peaceful purposes and that military activities such as the establishment of military bases or weapons testing are specifically prohibited. It guarantees continued freedom to conduct scientific research and promotes international scientific cooperation. It sets aside the potential for sovereignty disputes between treaty parties by providing that no activities will enhance or diminish previously asserted positions with respect to territorial claims; it provides that no new or enlarged claims can be made; and it makes rules relating to jurisdiction. The treaty prohibits nuclear explosions and the disposal of radioactive waste. It provides for inspections by observers to ensure treaty compliance. It requires the parties to give advance notice of their expeditions and provides for the parties to meet periodically to discuss measures to further the objectives of the treaty.

According to the WWF and based on a 2009 census of marine life, Antarctica is a cradle of life for polar species. In particular, the research shows that it is an evolutionary garden for octopus, sea spiders and other bizarre deep sea creatures. The fact that scientists have found a number of species common to both Antarctica and the Arctic indicates that the polar oceans are effective safe havens for species that arrive by chance. The 2009 census of marine life also found that the warming of the oceans due to climate change was forcing cold ocean species to move towards the poles. The remarkable range of species has been hidden for so long because many assumed that the polar seas were like marine deserts. However, it now appears that the harsh environment has been an engine of evolution, offering the right ingredients of isolation and a wide range of habitats. The WWF believes that these isolated habitats are threatened by climate change, which is driving ocean acidification and increasing temperatures around the poles.

The threat of climate change comes on top of other threats to the Antarctic's marine biodiversity from invasive species, from oil spills and pollution through shipping activities and from the actions of illegal, unregulated and unreported fishing vessels that flout
international rules. So there are certain serious threats there, and serious work needs to be done. I am very supportive of the work done by our Antarctic Division and others in protecting Antarctica. I think it is work that we can really be proud of. It is a great thing to see the action being taken and the steps that are proposed for later this year. This bill continues the Labor tradition of leadership in protecting areas of environmental significance, and I commend the bill to the House.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (10:15): I thank all members for their contributions to this debate, in particular the member for Flinders for his comments on providing bipartisan support for the bill that is before the chamber.

The Antarctic holds a very special place for all Australians not only because of our territorial claim but also because of the role that the member for Wills just referred to that was performed by former Prime Minister Bob Hawke. We were that close to serious mining exploration and mining going on in the Antarctic, and it was an Australian prime minister working together with a French prime minister that turned the entire international consensus around. The outcome—and it is one that all Australians now own with a great deal of national pride—is that there is one place on earth where we have an entire continent which is pristine, and we intend to keep it that way.

I also offer my thanks to those who have acknowledged—in particular, the member for Canberra and the member for Lyons—the role of the Australian Antarctic Division. Based in Hobart, the Antarctic Division performs extraordinary scientific work. While the bill in front of us goes to some very specific issues relating to updating our treaty obligations, it has also been an opportunity for honourable members to provide a bit of detail and recognition to some great Australians—while it is pristine and magnificent, it is not a great place to be in winter, I tell you—and to some of the best scientists in the world who dedicate their lives to the pursuit of knowledge in a continent that is reserved for that pursuit.

I want to pay a very special level of recognition to the members of the Australian Antarctic Division and the work that they do within my department and also acknowledge their base in Tasmania. Keeping Tasmania as Australia's gateway to the Antarctic is something to which the government has a very high level of commitment, and Tasmanian members of parliament have always made sure that the government's commitment to that never changes. I commend the bill to the House.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that this bill be reported to the House without amendment.

Social Security and Other Legislation Amendment (Income Support and Other Measures) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr ANDREWS (Menzies) (10:18): I rise to speak on the Social Security and Other Legislation Amendment (Income Support and Other Measures) Bill 2012. This bill seeks to
implement the income support measures that form part of the changes promulgated by the Building Australia’s Future Workforce package. This bill seeks to make legislative amendments that include: (1) changing the criteria for youth allowance (other) and Newstart allowance; (2) changing incentives for single parents and parenting payment reforms; and (3) streamlining services for job seekers, including the alignment of daily penalty amount provisions.

I will briefly deal with each of the key changes in turn. The changes to youth allowance (other) are given effect by virtue of an amendment to the Social Security Act so that, from 1 July 2012, 21-year-old persons who are unemployed may be eligible for youth allowance. Currently provisions mean that these young people may be eligible for Newstart allowance when they turn 21. The bill seeks to further encourage young people to take up work by amending the income-free area value from $62 a fortnight to $143 a fortnight for all youth allowance (other) recipients. Additionally, the bill increases the working credit limit from $1,000 to $3,500 for the same category of recipient. The ‘earn or learn’ measure would also be extended to 21-year-olds who have not achieved a year 12 or equivalent qualification.

Consequential amendments that are required to align with existing provisions will also be made, including: firstly, increasing the age at which a person will cease to be qualified for the youth disability supplement from 21 to 22 years; secondly, increasing the minimum qualification age for the sickness allowance from 21 to 22 years; and, thirdly, increasing the minimum qualification age for the long-term income support rate for students from 21 to 22 years. Transitional arrangements are also provided for.

This bill also seeks to make changes to the eligibility rules for grandfathered parenting payment recipients, namely those recipients who have been continuously receiving a parenting payment since before 1 July 2006. Under the existing arrangements, grandfathered recipients are eligible to receive a parenting payment until their youngest child turns 16 years, provided that child was in their care before 1 July 2011. Since 1 July 2011, any new child born to, or coming into the care of, a grandfathered parenting payment recipient no longer extends that recipient's grandfathered status.

Under the changes promulgated by this bill, from 1 January 2013, grandfathered recipients will cease to be eligible for the parenting payment when their youngest eligible child in their care before 1 July 2011 turns: firstly, 16 years if the child was born before 1 January 2000; secondly, 13 years if the child was born between 1 January 2000 and 31 December 2000; or, thirdly, 12 years if the child was born on or after 1 January 2001.

Additional changes apply for single carer parents receiving Newstart allowance. The current dual income test taper rate of 50c and 60c in the dollar will be replaced from 1 January 2013 with a taper rate of 40c in the dollar for income above the income-free area of $62 per fortnight. It is intended that this change will provide an incentive for people to re-engage in the workforce.

The bill also seeks to align, from 1 July 2012, the daily penalty rates for reconnection and no-show penalties. The government argues that aligning the rate at one-tenth will simplify the compliance framework and make the system fairer for job seekers by not penalising them for not connecting during weekends where providers are not available. The bill also makes amendments to education trusts and will make additional funding available for Indigenous
education trust measures as part of the 12-month extension of the Cape York welfare reform trials.

Labor has presided over a culture of watering down social security arrangements, including reporting requirements and mutual obligation arrangements. Real reform is needed to strengthen our social security system. As usual, this government is absent of courage, absent of innovation and absent of any desire to tackle the big issues confronting this country. However, the coalition does not oppose this legislation.

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Minister for Early Childhood and Childcare) (10:23): The amendments in the Social Security and Other Legislation Amendment (Income Support and Other Measures) Bill 2012 form part of a broader package of reforms which we announced in last year's budget—the Building Australia's Future Workforce package.

Ours is a government that has its eyes squarely focused on keeping Australians in work. Our record in this regard is one we are proud to stand by. Since coming to government, we have seen the creation of more than 700,000 jobs. We know our economy has displayed remarkable resilience over the past few years and that we remain the envy of the developed world, with an unemployment rate of 5.1 per cent. This economic strength coupled with ongoing skill shortages in some sectors of our economy provides new opportunities for unemployed Australians to move into paid work—for some, for the first time in many years. Our government believes that we can do better than a lifetime of welfare dependency for citizens of this country and we are determined that no Australians will be left to fall through the cracks.

To achieve this we must take a dual approach of putting in place firm but fair measures to ensure that unemployed Australians are genuine in their efforts to find work and also provide the right support and incentives to help them get a job. The bill before the House today delivers on our government's commitment to modernise Australia's welfare system and introduces measures to ensure more unemployed people are getting back into work.

The element of the bill I would particularly like to focus on today falls under my Employment Participation portfolio responsibilities and builds on the significant reform our government has already undertaken. To further simplify the compliance framework and reinforce the requirement that job seekers should be moving towards gaining employment, all daily penalty amounts for short-term financial penalties will be aligned at one-tenth of a job seeker's fortnightly participation payment. That is, from 1 July 2012, penalty amounts for failing to attend an interview with an employment services provider and the failure to attend an activity or job interview will be aligned at one-tenth of a person's fortnightly rate of payment.

Currently there are two rates, one-tenth and one-fourteenth, based on business days and calendar days respectively. This amendment within this bill today forms part of the government's ongoing efforts to get unemployed Australians into jobs and builds on compliance action that we have already taken. It builds on last year's measures where we delivered on our election commitment to introduce tougher measures to ensure more unemployed people are actively involved in seeking work. We introduced a suspension of income support payments for job seekers following a failure to attend an appointment or participation activity with their employment services provider. This means that if job seekers
then agrees to re-engage as required then the payment is restored in full. If the person fails to re-engage and does not have a good reason for missing their appointments then penalties are deducted from their very payment.

These changes were not about punishing Australians who have a valid reason for missing appointments or participation activities. What they do achieve is giving job seekers no choice but to stay engaged with employment services, which are there to serve them, if they want to receive their income support payments. The government has advanced major reforms to Australia's employment services that are providing much more effective assistance for job seekers, and of course we know that engagement with those services is absolutely vital.

I am pleased to inform the House that these new rules are working to make sure that unemployed people are being genuine in engaging and being supported in their efforts to look for work. The new rules came into place in July last year and since that time over 200,000 participation payment suspensions have been applied. We have already seen positive early signs that this tougher approach is making a difference, with more unemployed Australians showing up to their appointments and meeting their requirements over the past six months.

This is about placing a set of expectations on job seekers. In return for the support they receive from our government, they should be making every effort to find a job by meeting their responsibilities, showing up at appointments and taking advantage of the support and investment which the government places in them. It is also about ensuring they become job ready. Just as employees are expected to call in advance and have a good reason for not showing up at work, so should the unemployed with their government appointments. Frankly, I do not believe it would be doing anyone a favour to simply turn a blind eye to those who have been unemployed, some for a very, very long time, and have become so disengaged with the system that they do not even turn up to appointments with the people seeking to assist them. It is not helping them, it is not helping their families or communities and it is not helping Australian taxpayers.

Ours is a government that is all about helping Australians to find and stay in jobs. All Australians on income support should have the opportunity to work, but with opportunity comes responsibility, and we will continue to apply these new rules to make sure that those who are receiving government support and also meeting their responsibilities. The government is also providing the necessary supports for job seekers to be able to find work. One new measure that is already achieving outstanding results is the Wage Connect subsidy, in which we will invest $95 million over the forward estimates. The Wage Connect subsidy, which provides payments of around $5,700—the equivalent of the average rate of Newstart allowance over 26 weeks—helps offset wage and training costs for the first six months of the person's employment.

The subsidy, which came into effect in January this year, has already seen more than 1,000 long-term unemployed Australians find work. Of course we know that with everyone of these 1,000, that is a real life which has been transformed with support from this initiative. I am really pleased to see the early success of this new initiative, which has delivered 1,131 job placements since 1 January.

Each of the people who have found a new job because of this subsidy has been unemployed for at least two years, but some of them have been unemployed for much, much longer. A couple of weeks ago I had the absolute privilege of meeting Ms Julie Penfold, one
of the very first Australians to benefit from the Wage Connect subsidy. Julie had been unemployed for over 10 years. She now, with the assistance of the subsidy, has a full-time job at Hungry Jacks in Port Adelaide. She is enjoying her new role but she is also particularly excited because she will soon commence training to be the party planner for Hungry Jacks, Port Adelaide. As both a mother and grandmother, Julie has been very keen to be able to work with children as part of a new role.

Her story, one story out of more than 1,000 which already exist, shows us that having a job brings a sense of dignity, a sense of pride in being able to provide for yourself and your family and also a sense of connectedness with your community. We can put a value on the contribution Julie is now making to our economy by getting off welfare and into paying work, but we cannot put a value on that. The Wage Connect subsidy is going to help thousands of Australians like Julie to be able to enjoy the benefits of paid work. It will mean that Julie and others will be able to get the skills they need to start working and to keep working. I congratulate each and every one of these newly employed Australians, and indeed their employers, who have had their lives, the lives of their families and often their communities transformed by this government initiative. It can be no easy thing returning to the workforce after such a long, long time out, but it is that dedication and the courage of those individuals which we should be congratulating.

Finally, a significant grassroots initiative which I know that you are well aware of, Deputy Speaker Lyons, that our government commenced at the time of the global recession was a series of Keep Australia Working Expos. These were hosted in some of our hardest hit communities, where those expos served as what is in effect job supermarkets, bringing together employers, training agencies, government services and, of course, those who are looking for work.

It might sound like a very simple proposition but what was essentially a travelling jobs road show managed to deliver some simply outstanding results at a time when many Australians were doing it very tough. In fact, more than 15,500 Australians who were out of work were connected with a job opportunity at one of the 40 expos during this time. Our government knows a good idea when we see one and we decided that these expos had to continue in those communities that are doing it the toughest. I am pleased to update the House that we have already kicked off with the next phase of these Jobs and Skills Expos—and with great success.

Late last year I spent the afternoon at the expo in Burnie, chatting with residents and being introduced to local businesses by the forever-hardworking member for Braddon, Sid Sidebottom. At that expo we know that around 1,300 people attended and they took full advantage of the more than 500 job opportunities that were on offer that day. We know that at that one expo 766 resumes were submitted to the 60-plus exhibitors. We know that the average workforce participation rate in Burnie is well below the nation average, while their unemployment rate is well above, which is why it is one of government's priority employment areas. Among those who were job hunting in Burnie was one local resident, Daniel Fletcher, who I had the chance to speak to. Daniel had been out of work for a few months after he had suffered an injury which meant he could no longer work as a firefighter. Daniel told the local paper that he had been searching the papers and online regularly, but he said, 'When you don't hear from people, it's a bit of a downer.' But, with the Jobs and Skills Expo, employers and
other agencies who could help Daniel were all in one place, and I am very pleased to report
that he had a few leads on employment even before the end of the day.

Following on from this, and keeping with the Tasmanian flavour here, just last week I had
the chance to join with the dedicated member for Bass—Mr Deputy Speaker at present—as I
saw thousands of people turn up at the jobs expo in Launceston, hoping for the opportunity to
see that the government was not walking away from them and that, even when we have
relative prosperity compared to the rest of the developed world, we are standing shoulder to
shoulder with those communities who continue to do it tough. That is what we were doing in
Launceston on Friday, that is what we will continue to do, and I look forward to travelling
around Australia to see the continued success of the expos and, importantly, to see more
Australians being able to access the benefits of work as a result of them.

To conclude this morning, I am incredibly proud to be a part of a government whose
commitment to keeping Australians in jobs and creating more jobs for the future is steadfast. I
am also proud of our record of keeping people in work during the global recession, acting to
protect manufacturing jobs today and overseeing the creation of more than 700,000 jobs since
2007. We are committed to jobs because we know the many benefits that come with work.
We know that a job means more than collecting a fortnightly pay cheque. We know that a job
gives people dignity, a sense of self, a sense of pride and, indeed, a sense of social
connectedness, as well as providing the opportunity to contribute to Australia's economy. This
bill, amongst other things, builds on the government's ongoing work to support more
Australians into jobs, to make sure our unemployed are serious in their efforts as well and to
build on our compliance system, which is an important part of our system. I commend the bill
to the House.

The DEPUTY SPEAKER (Mr Lyons): Thank you for running the 44th jobs expo in
Launceston last week.

Mr NEUMANN (Blair) (10:37): I talked in my speech in relation to the carbon pricing
about my motivation for coming into this place and being elected. One of the things that
really motivated me was a commitment to education, training and jobs. I am a bit of an old-
fashioned Labor MP; I actually believe the best way to redistribute the wealth in this country
is to give a person a job. In my previous life as a lawyer, I was always amazed at the pride,
self-esteem and satisfaction a young person had on their face and in their whole countenance
when I offered them a job and said, 'The job is yours.' I will never forget a young woman who
was about 16 years of age; her name was Stephanie and she came to work for me straight out
of school. She did not have much self-esteem; her whole countenance and visage were quite
downcast. But, when I offered her the job, her face lit up in a smile. I can never forget that
smile. That happened on dozens and dozens of occasions when, as senior partner in the law
firm, I interviewed person after person, from the most senior lawyer to the most junior person
that worked in running around messages and deliveries. I have to say that I always loved
doing that job because I saw what impact it had not just on individuals but on their families as
well.

I think we are at risk in this country of people falling through the cracks. When we have
about 320,000 Australians aged between 15 and 24 not in education, training or employment,
we face serious challenges. 'Learning or earning' is really the motivation of this government,
and I think we cannot let people fall behind. It is important not just for their self-esteem but
for their financial security and the security of their children and their children's children. Intergenerational poverty cannot continue. I live in an area which is by no means classified as a high socioeconomic area, the Ipswich and West Moreton region. We cannot have a situation where there are about 520,000 dependent children in jobless families throughout the country, at risk of terrible socioeconomic disadvantage. Role models and mentors are important. In the home, it is important that mum and/or dad are working, because then their children will see the benefit of that. I strongly believe that the emphasis that this government and this parliament are putting on jobs and participation and training is absolutely crucial. We as a government are committed to good economic management and strong employment growth. The fact is that unemployment in this country is low by international standards, at 5.2 per cent. In my region in Ipswich it is at 4.9 per cent.

To put that in its context, during recessions when Ipswich was a far more manufacturing oriented place than it is today, with the service industries today far larger in size, it was not uncommon for the unemployment rate in Ipswich to be twice the national average. Now it is at 4.9 per cent. That is an indication of the commitment of this government, of the Queensland state Labor government and of the Ipswich City Council to work in partnerships with the Ipswich Business Enterprise Centre—a another federally funded body—and the chambers of commerce across the whole region, particularly the Ipswich Chamber of Commerce. Recently, I was at the Healthy Businesses Expo in Ipswich. It was about improving businesses and making sure that small business, which employs about five million people in this country, can provide jobs and opportunities.

You have to look at the Social Security and Other Legislation Amendment (Income Support and Other Measures) Bill 2012 in the context of all of the commitments that we are making. The minister mentioned the jobs expo. We had a jobs expo in Ipswich. Hundreds of young and old people got employment through that. I pay tribute to the state government and also to the private providers, big organisations as well as small, who came that day. I walked around with the then parliamentary secretary Jason Clare, the member for Blaxland, and went on the radio to talk about it on River 94.9. I saw the enthusiasm and connections that that job expo provided for people, with employers and employees getting together. We know that most businesses are families and most employees are treated well in small business. If I can be political for a moment, that is why Work Choices was so outrageous and egregious: it made good employers bad employers.

There are three main changes in this legislation. It should be seen as part of the broader reforms being made by this government through the Building Australia's Future Workforce package. Henceforth, I will talk about it as a package. We want to make sure that we get people to participate in the life of our community and in the workforce and business generally. There are changes being made to the eligibility criteria for youth allowance and Newstart allowance. There are changes being made to the incentives for single parents and there are parenting payment reforms being made. Services for job seekers will be streamlined.

Some of the changes will motivate people. I know that in this legislation there is to a certain extent a carrot and stick approach, which has been outlined in detail by previous speakers. Part of the carrot is the greater opportunity provided by the increase in the income-free part of youth allowance to $143 per fortnight and the increase in the work credit limit for job seekers to $3,500.
We acknowledge that there is a stick approach here as well. We make no apologies for what we are doing. We believe that it is in the best interests of everyone to participate in economic life because that is how they get to participate in community life. People who work are more likely to be engaged in community activities and to take a more communitarian approach to P&Cs, churches, RSLs, sporting clubs, rural fire brigades and the SES. People who work are more likely to participate in the community. They not only have a higher self-esteem but want to give back. It is not just about them or the economy; it is about the community in which they live. There are changes to the grandfathering provisions and in the welfare to work provisions. We are applying a lower taper in this legislation for all single principal carers. We know we are aligning daily penalty amounts for failing to attend a job interview with an employment services provider and the failure to attend an activity or job interview at one-tenth of a person's fortnightly participation payment. We know there are changes being made here, and we know we are making changes that some people will criticise us for—perhaps from the left—but we think it is important. We think it is important because we want to make sure that everyone participates in society. Changes to the single parent pension and parenting payment reforms align the rules for one parent with those of others. We think that makes for more equitable treatment of parents in similar circumstances.

We think it is important that people do have the capacity to earn more. I mentioned before the $143 a fortnight income free area. That is up from $62 a fortnight. It means people can keep more without their social security payments being impacted. I mentioned before the working credit limit. That has increased from $1,000 to $3,500. It is important to note that. The changes there will mean that all young people aged between 16 and 21 under similar circumstances will be treated the same way. I have two daughters, both at university, and they both work part-time. Most of their friends are in the workforce, and I know from talking to them what pride they have in the jobs they have and the study they are undertaking. Those who fall out of the system, who do not really engage with job service providers, who do not engage with employers or who do not engage with friends and relatives, fall through the cracks, and that is where we get miscreant behaviour; that is where we get situations where people engage in other activities, shall we say, which are not helpful to themselves and can be injurious to the economy as well as to the community.

We are putting $3 billion towards new skills and training programs over the next six years. One of those programs is Kickstart. I know about this from talking to people like David Handyside at Apprenticeships Queensland in my electorate of Ipswich. I have talked with apprentices there who have been picked up as a result of incentives like that. We have seen hundreds of young people in my area picked up in traditional trades as a result of the Kickstart program. Many times I have been to providers and talked with them and seen young people, and older people, undertaking jobs training. Alison McGrath also runs great jobs programs in my area. We have seen that through our investment in TAFE as well. This government has taken responsibility like no other government at a federal level to increase funding for TAFE. The $2 million that was given to Bremer TAFE, based in Ipswich, where there are 80,000 students, has made a huge difference.

This government puts its money where its mouth is. It actually invests in things. We think it is important to invest in institutions and in education, and we have done that. We have seen 900,000 computers rolled out across the country. For some inexplicable reason those opposite
still oppose that program. We are putting in trade training centres. St Edmund’s boys secondary education college in Ipswich and the two grammar schools—Ipswich Grammar School and Ipswich Girls Grammar School—are part of that process. There will be a new trade training centre at Ipswich State High School, where five schools will connect together for a trade training centre. There will be one in the eastern corridor as well. All this action is critical. I cannot understand why the Leader of the Opposition calls them glorified sheds with lathes in them. I cannot understand that when I go there and see how important these facilities are.

So we are helping; we are providing funds and putting investment into TAFE, into secondary and tertiary education, and into jobs training. There will be 130,000 more quality training places. I know this is important in my home state. A lot of the apprentices and students get picked up from Bremer TAFE and go off to the mining sector. Some of them stay in the local area. We are crying out for more employees, and I know it is important for industry in the area to get carpenters, electricians, plumbers and engineers. And not just people in the trades but in the professions as well. We want people to graduate and work locally. That is important in an electorate like mine, Blair, which is in regional and rural Queensland.

As I said, this government has invested billions of dollars because we think it is important. I also make the point that the funding we have provided for language, literacy and numeracy services is particularly important. I know that we work in partnership with the state governments in relation to those types of programs and others. I have seen the importance of English language training to upskilling migrants at Bremer TAFE. I remember speaking to a class there. Of the class of about 30 students, I think they had come from about 25 different countries. Their level of language skill was improving as they went through the course. I have come across students from that class who then got jobs. At mobile offices they have told me they met me at that class and how important that literacy, numeracy and language training was.

This is not some esoteric and airy-fairy thing we are doing. This is particularly important because it changes lives. It changes the lives of not just individuals but families. It changes families in a way that can take them from despair, despondency and deprivation and lift them up. This government is not about handouts, it is about help-ups. It is important to do that. These measures are important because they are part of the matrix, fabric and framework of what this government wants to do in job skills training and education. It is important that we recognise what we are doing as part of that fabric.

It is also important to acknowledge that this side of politics takes decisive action when times get tough, like the global financial crisis. We have hundreds of thousands of people in employment across this country now because of the steps we took during the global financial crisis. I have seen that in my community. I have seen that in BER projects. I have seen that with the 10,000 people who worked on the Ipswich Motorway upgrade. That upgrade was opposed during three elections by those opposite. I think it is important that we put this in the context of what we are doing. We are committed to making sure that everyone in this country gets a helping hand. We are committed to making sure that everyone who needs a job gets the opportunity to get one. We are committed to families. We are committed to the material improvement of families. (Time expired)
Mr BANDT (Melbourne) (10:52): I rise to speak against this bill. I have heard speeches from speaker after speaker from both of the old parties, that are in many respects indistinguishable. They justify this bill at its core on the basis of the importance of work. Let me say that I agree we should be doing everything we can to provide meaningful employment for people. In a moment I will tell you about what I am doing in my electorate of Melbourne to make that happen. But sometimes I think there is complete incomprehension by members of the old parties about what life is like for people in this country who, for whatever reason, are unable to find work or unable to find work that is meaningful and suitable for them.

Let us be clear about one thing: this bill is a budget cutback. It is not a measure to improve the job prospects of sole parents on income support. In my electorate of Melbourne there are more public housing dwellings than in any other electorate in the country. It is an electorate of significant wealth disparity: home to some quite wealthy people and home to some people who are doing it really tough. I spend a fair bit of time with people from right across the income spectrum. To live in public housing, by definition you are not doing well income-wise, you are in some of the lowest percentiles. I spend a fair bit of time talking to the people there. The one overwhelming message that I get from most of the people that I speak to, especially those who have come here from overseas on non-skilled migrant visas—and they make up a significant proportion of the people in public housing—is that they want work. They want meaningful work and they are doing everything they can to find it. What they find as they look for it is barrier after barrier.

Many people who have come here from overseas on refugee or family reunion visas have degrees or skills in their country of origin that are not recognised here. They try to get them recognised. They try to get some recognition of prior learning. They try to get work in the equivalent sector and people tell them, 'Unless you have got an Australian qualification or you have Australian work experience, we are not going to give it to you.' As a result we have in Melbourne someone from Somalia who used to pilot jumbo jets but is now driving taxis. At a time of shortage in the medical workforce, we have qualified doctors who are now driving taxis or working in takeaway joints because they cannot get their skills recognised. It is having flow-on effects through their families as well. The kids in public housing look at their parents and say, 'You worked hard to try to get a job. Now you are driving taxis. Why should I bother?' It is double-edged too because some of them have actually got degrees from RMIT and other institutions in Melbourne and they are finding when they turn up to go for work that they are not even getting an interview because of the name on their application or perhaps because they turn up with a hijab or some other reason.

It is not just that group of people; there are many others as well whose health has suffered because of their income. There are people who have got significant dental problems. There is rightly a lot of attention on dental care and it is something that the Greens have sought to put on the national agenda. Dental care is not just a health issue; it is a social justice issue. I ask you, Mr Deputy Speaker: if you were an employer and someone turned up to a job with some of their teeth missing, would you look at that person and be less likely to give them a job? I reckon most employers would do that. These are the kinds of barriers that people are routinely facing every day.

Not only that but, as I will go into in a moment, many of the people who are going to be affected by this are caring for other people, some of whom have disabilities and their own
barriers to full participation in school, education, training or work. It is these people that this bill, for the sake of a budget cutback, is turning its full ammunition on. It is shameful. If adopted, this bill would cut the social security payments of almost 100,000 sole parents and young people over the next four years. These are the people who deserve our support, who do not deserve to be attacked by this government. This measure delivers cuts of approximately $58 per week for sole parents with 12- to 15-year-old children.

Sole parent families on income support are already among the poorest in the country. An OECD report estimates that most parents on the maximum rate of sole parent payments are living in poverty. This bill will deepen their impoverishment without improving their job prospects. Plunging families deeper into poverty will not help them get into paid work. These parents are already finding it hard to secure paid work and around one in seven are also caring for a child with a disability. They may have a disability themselves or have limited qualifications.

The bill would also bring in cuts of $42 a week for young unemployed people aged 21 years. Twenty-one-year-old unemployed people would lose access to Newstart allowance from July this year and remain on the lower youth allowance for a year after their 21st birthday. Youth allowance for single young people living away from home is $201 a week and Newstart allowance is $243 a week, so it is a cut in payments of $42 per week for young unemployed people living away from home and independently of their parents. $243 is a miniscule amount and it is going to be cut by about 20 per cent. I ask whether anyone can realistically live on $243 a week, let alone $201 a week. During the course of the campaign and talking to people in my electorate of Melbourne, I met a bunch of students who are living together in a three-bedroom house in Collingwood—a brick house, completely unremarkable. It costs $540 a week to rent that place somewhere near where you are going to TAFE, where you are going to university—all these things that we hear from the government about the opportunities that they are providing. That is $190 per person for a bedroom in a three-bedroom house, and we are looking at youth allowance of $201 a week.

Under this bill, when a young person is living at home with their parents, a youth allowance rate of $133 per week applies. Where that person has not demonstrated financial independence from their parents, parental income tests will apply and this will further reduce payment for those young people. The main argument in favour of this measure is that the gap between lower student payments, youth allowance, Austudy payments and higher unemployment allowance—Newstart—discourages participation in education. This may be true but the solution is surely to increase the low level of student payments for people living independently of their parents, not to close off access to the higher unemployment payments. This bill would cut the maximum rate of income support to unemployed 21-year-olds regardless of their parents' income.

This is another example of governments failing to put people first. Governments in some sense used to be about people. It is clearly the case that if you are a powerful corporation you can expect to receive money from this government, but if you are someone doing it tough you can expect them to turn their back on you. Instead of increasing the mining tax to a sensible amount where we might have enough revenue to look after some of the people in our community who are doing it tough, we are now saying we would rather give a dollar to the
big miners than to single parents. That is what this government is saying, and it is failing to put people first.

Overall, we should be increasing welfare payments, not cutting them. It is a measure of how bad this bill is that the government is being outflanked to the left by Judith Sloan and Ian Harper. Ian Harper, the economist hand-picked by former Prime Minister John Howard to set the minimum wage, has said the dole is too low. He warned that giving people so little to survive on is causing desperation and depression. Judith Sloan, hardly a friend of mine or someone with whom I would ever suggest I would agree with on economics, also argued at the tax summit last year that the dole was no longer adequate.

The ACTU has also called for unemployment benefits to be increased. In the face of this rather unusual coalition of voices, the government should be saying, 'Something's going on here with the people who are doing it toughest in this country. Let's have a look at it. Let's have a look at how we can help them out.' Instead, we are saying we would rather give a dollar to the big miners by forgoing a proper mining tax than pay a proper level of unemployment benefits. This bill should not be supported.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (11:03): I am not sure I have appeared in front of you, Mr Deputy Speaker Lyons, so congratulations. We are a government animated with ideas and policies for the future to strengthen our economy, to prepare ourselves for the challenges and opportunities ahead, to back our people and to build our workforce of tomorrow and beyond.

As part of Building Australia's Future Workforce package announced in the 2011 budget, the Social Security and Other Legislation Amendment (Income Support and Other Measures) Bill 2012 will amend the Social Security Act 1991 and Social Security Administration Act 1999 to give effect to important income support reforms. These reforms will provide greater incentives for young Australians to engage in education, training and employment, while encouraging parents to re-engage in the workforce.

We know that many Australians find it tough to make ends meet but we also know the best thing to ease cost-of-living pressures is to have a decent-paying job. Putting in place a system that ensures fairness at work is therefore important, but we also need to do everything we can to encourage, prompt, stimulate and inspire people into work. The Gillard government wants to ensure that all Australians are able to share in the vast opportunities available in our strong economy. It is an economy that, despite some of the softness, is still one which many countries abroad are very envious of; an Australian economy that is expected to grow solidly and become even more prosperous, more fair, more skilled and more creative.

The reforms to income support payments for young people and parents represent a significant and continued investment by the Australian government in education skills and the future of Australia's workforce. This reform package will also provide greater incentives and support for young unemployed people to engage in education, training and employment. By delaying access to Newstart allowance from 1 July 2012, all eligible 21-year-olds will receive the same rate of youth allowance whether they are unemployed, in training or a student. This, along with the extension of the earn or learn participation requirements, will encourage study and help overcome structural incentives which currently exist to discourage employment.
Be in no doubt: we believe that structural disincentives to getting a job do need to be addressed. From 1 July 2012 there will be a more generous income-free area of $143 a fortnight, instead of the current $62, and a larger working credit limit of $3,500 compared with the current $1,000. We will reward young people who take up part-time work as a stepping stone to full-time employment. Young jobseekers receiving youth allowance will be able to earn more and still retain their payment.

This reform package also amends a number of payments and supplements to align the ages at which a person will cease to be qualified for youth disability supplement, sickness allowance and the long-term income support payment rate for students. These amendments will ensure that all young people aged 16 to 21 years of age who are under similar circumstances are in receipt of the same income support payment.

To provide greater incentives for parents of school age children to re-engage in the workforce, and to make eligibility more consistent for all parents, regardless of when they first claim parenting payment, the government is phasing out the grandparenting arrangements for parent payment recipients for a youngest child aged 12 to 15 years to enable those single principal carer parents who may qualify for Newstart allowance to see greater benefits from their participation and to earn up to $400 more per fortnight before losing their eligibility for payment.

A more generous income test will be introduced from 1 January 2013. Affected parenting payment recipients will have access to a range of additional assistance to ensure that they have the support they need to build their skills, to re-engage in the workforce and to provide their families with greater financial security and a positive future.

This reform package will also simplify the compliance framework. Announced as part of the Building Australia's Future Workforce package, daily penalty amounts for jobseekers failing to attend an interview with an employment services provider will be aligned with the penalty for failing to attend an activity or job interview, which is one-tenth of a person's fortnightly rate of participation payment. This change will ensure jobseekers are not penalised because a weekend happens to fall before they have the opportunity to re-engage with an employment services provider.

Finally, this reform package will amend the Indigenous Education (Targeted Assistance) Act 2000 to provide the appropriation to fund the 12-month extension of the student education trusts measure as part of the extension of the Cape York welfare reform trials announced by the Minister For Families, Housing, Community Services and Indigenous Affairs in 2011. Parents and caregivers in remote Indigenous communities in Far North Queensland will continue to be supported in saving for the costs of their children's education, a key element in Closing the Gap targets in Indigenous education.

Let me say again that we know that many Australians do find it really tough to make ends meet. We are a Labor government fighting for Labor values and looking out for ordinary, everyday people who pay the mortgage or the rent and the bills at the end of the month and do not have much left over. We do get it that things are not easy out there for many. But the best way to deal with cost-of-living pressures and to make ends meet is to have a decent-paying job. These reforms will help get more of our fellow citizens into work and into a job, and able to reach out to their future.
I thank members for their contributions as I commend the bill to the House.
Question agreed to.
Bill read a second time. Message from the Governor-General recommending appropriation announced.
Ordered that this bill be reported to the House without amendment.

MINISTERIAL STATEMENTS

Debate resumed on the motion:
That the House take note of the document.

Closing the Gap

Mr WYATT (Hasluck) (11:10): In opening my address, I want to apply my comments universally across Aboriginal and Torres Strait Islander communities. I want to make particular reference to the 4,000-plus Nyungar and Aboriginal constituents in my electorate.
Closing the Gap has been a tremendous strategy to focus people's attention. I had the privilege of being involved in the COAG processes in which we considered: the overarching specific purpose payment arrangements between the Commonwealth and state governments; the national reform agreements, of which there are seven significant ones—in particular the National Indigenous Reform Agreement Closing the Gap; and some 23 national partnership agreements which identify broad areas of reform for service delivery, policy development and the coordination of services between state and territory and Commonwealth governments. In particular, the way in which the programs, targets, outputs and outcomes have been identified will make a difference in a range of areas.

What is strong about the National Indigenous Reform Agreement is its capacity to make a difference not only in the way in which Aboriginal and Torres Strait Islander people access targeted services but in the mindset of those who provide the resources for the provision of services at the local level. It allows them to think outside the square and to look at ways in which they can make a difference.

One of the greatest challenges relates to the way in which partnerships prevail. These kinds of partnerships have historically been one-sided. We have a tendency within government, and particularly as public servants, to work within the guidelines and frameworks that we are given and to make sure that programs roll out in such a way that the accountability and compliance requirements are met. We used to be rigid in the way that that occurred, and any deviation that might have had a far longer-lasting outcome was not always accommodated.

One of the things that I really like about the National Indigenous Reform Agreement is the way in which it focuses on some key areas: Indigenous early childhood development, remote service delivery and Indigenous economic participation. I must acknowledge the comments of the minister, who talked about the opportunities that he is creating with the trusts that will enable young Indigenous Australians to access the skilling required for the industry sectors they seek career pathways in. Other key areas are remote Indigenous housing, closing the gap in Indigenous health outcomes and, importantly, remote Indigenous public internet access. All of these provide an opportunity for us to focus on the differentials with the broader Australian population. There are many families within my electorate who are in low-socioeconomic circumstances, with a problematic level of disposable income, so they have similar
challenges. But with the Indigenous population you have this inherent history of disadvantage—compounding layers of disadvantage. Having never been fully self-determining creates a sense of futility and frustration.

We have to remember that that prevailed up until the late 1950s and, in some jurisdictions, including in my own state, until 1972, with the repeal of the Native Welfare Act, under which I was raised and considered to be one of the natives of Western Australia. You have that contemporary historical context that has prevailed for some time. To break through those barriers is sometimes frustrating because you become conditioned by the way in which services are delivered, because services are delivered to you and you are not an active participant in shaping those services. Certainly in my own electorate when I talk to some of the Indigenous leadership and Aboriginal leaders and elders, that frustration and futility still prevails even in this contemporary period.

As I said just a couple of days ago in the chamber, we need to consider the total population. Often there is the notion that Aboriginal society lives in the Top End or the remote areas of Australia. In fact the 2001 census and the period to 2006 showed that the population of Aboriginal people living in capital cities or large regional centres rose from around 40 per cent to 74 per cent. That has shifted the dynamics. But our thinking does not always encapsulate the opportunity for providing programs and services that will close the gap in those very critical areas.

When I think about the whole process in COAG, one of the discussions and debates we had was about the universality in the way services are accessed. Recently, when talking to one of my own colleagues, I mentioned the urban population and their comment was: 'But don't Aboriginal people access all the mainstream services in a capital city? Surely, that is not a challenge or an issue.' In fact, it is. The Productivity Commission report that followed the inquiry into Indigenous expenditure made that comment very explicitly in either chapter 2 or chapter 5, I think, where they said, 'Aboriginal services become the substitute for government services.' What was happening in the delivery of services and the framing of policy was a mindset that it was an Aboriginal issue so therefore it had to be dealt with in Aboriginal programs. Yet Aboriginals are part of Australian society. We have never challenged that thinking—which needs to change—because we are comfortable with the mindsets and practices that have prevailed for a long time.

I have said before that it is a pity all the members in the House of Representatives and the Senate in this parliament do not get out and meet with every one of the Aboriginal communities and organisations within their electorates. If they did, they would get an understanding of the gap that exists within their electorates for populations of Aboriginal and Torres Strait Islander people there. I know there are members who dedicate time and are involved, and I hear through the Aboriginal and Torres Strait Islander grapevine of the work that some members do, but the sad part is that a predominance of members do not have that degree of connection. I think that if we all understood the gaps within our own electorates we would be more likely to champion the need for some of the change in thinking and practice that should prevail. Australia is a First World country. We have a contemporary lifestyle that is the envy of so many others, and yet after 40-odd years of experience within Aboriginal and Torres Strait Islander affairs in the areas of health and education, I find the existing gaps both challenging and interesting.
On my first sojourn into a particular community when I was a much younger man, having lived in a capital city, I got out of the car there, after flying in by charter and being taken by vehicles. I had a staff member there with me who refused to get out of the car. She said, ‘Kenny, I can't get out of the car. I don't want to look. This is unreal; I have never seen this type of poverty. I have never seen a community like this.’ She then stayed in the car for the duration of the time we were in that community. The challenge in that was her inability to really grasp the fact that there was still much to do in the closing of the gap.

One of our other key aspects in terms of urban populations is that we need to seriously think about the opportunities that we create. I know within my electorate there are people who are successful and do well and there are those who struggle on a daily basis. So there is a challenge in the way in which people access. Racism is still an issue for some people. Sometimes you can walk through those barriers but not always.

If we are to change things then we really should adopt the principles that are in the National Indigenous Reform Agreement. We really should ask the question: is the priority principle that programs and services should contribute to Closing the Gap by meeting the targets endorsed by COAG adhered to? And for COAG it is every reform agreement. There is the Indigenous engagement principle—engagement with Indigenous people being central to the design and delivery of programs and services. There is the sustainability principle, the access principle, the integration principle and accountability principle. I suspect that we will continue to fail unless we apply those principles uniformly across all agreements.

What I would dearly love to see for the Aboriginal people who live in my electorate is that they be equal participants in all things that affect them—that those principles are applied to those targeted programs. But more importantly, that, of those 23 NPAs and the seven national agreements, we should be measuring the gap closure in respect to every goal and KPI that is in those, and that the measures do not distinguish between Indigenous Australians and the rest of Australian society—that they are intrinsically linked.

If we are making a society better than what it currently is then the greatest benefit that we will leave as a legacy as members of this House is to have in place structures that account for Aboriginal and Torres Strait Island people to be part of everything that we appropriate and give an authority to—in bilateral agreements, in direct programs and in the services that are provided. Unless we do that I know that we will be having these types of discussions in the future—that I will be sitting in a wheelchair looking back on the history and saying, 'The progress we should have made has not been achieved because we missed an incredible opportunity.'

I would encourage any parliamentary colleague to set aside time to visit and get to know the diversity of their electorates—to get to know the Aboriginal and Torres Strait Islander people who live within their electorates and to look at the issues that face them. We have a responsibility. We have been elected to represent all those within our electorates, regardless of our political affiliations. I believe that we have the capability, the capacity and the potential to close the gaps not by a national approach but by a localised approach, because we as individual members, whether we like it or not, are leaders in the communities that we influence.

I have the privilege of being a leader not only in my electorate by virtue of the role that I hold but also within the Indigenous community. Certainly I would encourage very strongly
that if we are to close the gap and if we are to aspire to seeing a difference within the next 10 to 20 years, that in those leadership roles we have to facilitate processes that will bring about change. It is only by leadership that a society can be influenced and that groups that are disaffected can be given the opportunity to access and improve. Improvement comes with the opportunity of education, access to information, good health, access to good housing and then the opportunity to aspire to the belief that you have in yourself to do the things that you want and to take the career pathways that are available to any Australian who wants to look at that whole aspect of hope, aspiration, reward, gains and contribution. Unless we do that, I think the gap in key areas such as life expectancy will not improve.

It is a privilege to contribute to the debate on this and support the words of the Prime Minister and the Leader of the Opposition. If we encourage opportunity and we encourage taking the rewards that are available, then we contribute to the hope of those who have experienced long-term disadvantage. And certainly we would add to the work that is being done by many Indigenous Australians who have been highly successful in the jobs that they undertake, the influence they exert—the things that they do from a passion of their cultural identity and the passion wanting to see improvements within their communities, their families and themselves individually. Thank you.

Ms O’NEILL (Robertson) (11:25): Congratulations, Deputy Speaker Tehan, on your appointment to this role. It is an incredible privilege and honour for me to be speaking on this matter following on from the member for Hasluck, the first Indigenous member of the House of Representatives. While we may disagree about how we advance our nation I am absolutely certain from my work with him on the health policy committee that we share a commitment to our nation. Certainly to have the power of an Indigenous voice in this place is something that has a great deal to do with the healing we need to undertake as we address the great shame of the stolen generation.

It is four years since the important speech given by former Prime Minister Rudd in the House of Representatives saying sorry for the structural and institutional injustice that we have perpetrated upon our own first peoples. I was very privileged to be able to attend an event convened by Minister Macklin to consider where we are in our remembering of that day and how we might move forward.

One of the most powerful things that I heard that day was a story, and that day reinforced how important stories are for us to put things on the record about the way things were so that we might never make the mistake of making that happen again. One of the stories that we heard was from Donna Meehan. She identified herself as a Gamilaraay woman from Coonamble in north-west New South Wales. She spoke about finding her family at the age of 28. The thing that touched me so powerfully in her testimony that day at our public remembrance was that she described the day when her mother, a mother of 11 children, lost seven of her babies—that seven of them were taken away at once.

But she also had a healing story to tell, which was very important to hear in her voice, because on the day that the apology happened, after hearing it and responding to it in her community, she decided to take a day trip to Brisbane. She spoke about going into three different places on that day trip. In the first place she was asked for her opinion. It made me feel very sad that this was an extraordinary experience for her, so much so that four years later she was willing to say that that was an important experience. She was applauded, with the
people she was travelling with—her mob—at a cafe. The most telling of all, that shows there is so much work to do, is that she noticed on that day that she was served with equal dignity in a shop. So we did something significant on that day.

In looking to the future—and that is what we were asked to do—we need to think about how we move towards redressing the wrongs and making sure that we give ordinary Australians, our fellow Australians, our first Australians, the best chance of living a full and wholesome life as Australian citizens in this modern democracy. That is to look to the future.

I do want to put on the record before I finish—and I am not going to speak much longer; I know that there is pressure on time for key members here to move on and do other important work—that I was a little underwhelmed by the representation of the media on the day that both the Prime Minister and the Leader of the Opposition gave very vivid, forthright and detailed speeches on Closing the Gap. This is a vital piece of work for all Australians to participate in. It is at the heart of the social justice initiative for members of all of the parties represented here. It is something much more worthy of attention in the media. I hope that next year when the Closing the Gap statement comes along the media is full to overbrimming, even more than they might be represented at question time, to cover this vital part of the way we move forward as a nation.

I want to commend two very important elements that I think are available to us as Australians right now as we learn more. One of them is a great pack that the federal government has funded. It has been sent to 5,250 schools and it is called Kutju Australia, which means Advance Australia. It is written in the Luritja language but the kit has been prepared so that we can all sing Advance Australia Fair in an Indigenous language and in English. Also, a very significant site was launched on the day, the Stolen Generation Testimonies site. People can google that site and have a look at what is going on. Debra Hocking, one of the survivors, points out:

There’s nothing more powerful than the personal story. For people to understand, we have to open ourselves up. It’s hard to tell our personal stories but we are doing this to educate people. For us to heal as a country these are the stories we need to share. They’re sad stories but they’re important stories. For me as a Stolen Generations’ Survivor, I know you don’t get over things. She really asks for the stories to be read, and I encourage all teachers in all subjects to think about what they can do to open the young people of this country to those stories. I felt so moved by the stories that I read on the website that I put a little message on there myself, which is:

Congratulations on the wonderful launch of this important website today, I hope to speak in the parliament about my response to this the 4th anniversary of the Apology to the Stolen Generation. I believe in the healing power of stories, even the ones that are very difficult to tell. When I see you as separate from me I can ignore you, or fear you, or hurt you, or other you. But when I know your story you become my brother, my sister, my mother, my father, my uncle, my aunty, my friend. Stories shared reveal our unique journeys but they also reveal our common humanity. When we learn that lesson of compassion and kindness then we really do have a bright future. I want to put on the public record my thanks for the stories that are on the Stolen Generation Testimonies site and I want to applaud those who have put them there, including the director of the film series, for sharing them and for your courage in leading us to a better Australia.

Debate adjourned.
BUSINESS

Rearrangement

Mr HAYES (Fowler) (11:33): by leave—I move:
That business intervening before order of the day No. 7, committee and delegation reports, be postponed until a later hour this day.
Question agreed to.

COMMITTEES

Electoral Matters Committee

Report

Debate resumed on the motion:
That the House take note of the report.

Mr DANBY (Melbourne Ports) (11:33): Mr Deputy Speaker, I seek leave to make some remarks without closing the debate.

Leave granted.

Mr DANBY:
Firstly, I want to express my thanks to the opposition for making it possible for me to speak in this debate, otherwise I would have had to run out and not be able to make some remarks which I think people across the spectrum might find interesting.

Mr Tehan interjecting—

Mr DANBY:
You are very nice people. I want to congratulate the chairman, Daryl Melham, and his committee for moving what I regard is an essential change to the electoral law that will prevent candidates trousering, as they did at the 2004 and 2007 elections, $200,000 without record of expenditure. We will remember that at one election a certain candidate in Queensland from the seat of Oxley, which the chair at the moment ably represents, was able to score over four per cent of the vote, get $1.90 per vote and then only spend $35,000, harvesting a profit of $200,000. This is something I have often observed that reminded me very much of Zero Mostel's famous film The Producers, where the Broadway producer had to get several thousand per cent of investment by investors and then hoped to make a profit if the play closed on the first night. This was the electoral equivalent of that, and recommendations 15 and 16 of the committee's report do an excellent job of addressing this by saying:

… members elected with less than four per cent of the first preference vote be eligible for election funding. These members should be entitled to the lesser of:

- the application of the ‘per vote’ rate to the first preference votes won; or
- reimbursement for proven expenditure following the lodgement of a claim.

So we will never have this precedence of making election day Pauline Hanson's payday in the future. This issue has finally been addressed by this parliament, and I hope the government takes it on.

The second thing I want to turn to is the recommendations about timing of single donations above $100,000 to a political party or a third entity being a special reporting event. I was very surprised that this resolution was passed by the committee. We know it has been a matter of great controversy in the Australian Greens political party in relation to the extraordinary $1.6

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million donation received by that party from the company associated with Wotif. I make no
remarks about the issue that is going before the Privileges Committee; I do, however, record
my amazement that this appears to further the differences between Senator Rhiannon and
Senator Brown. Senator Brown maintains that this was reported as under the current
regulations, which I am sure is true knowing him. He is a very upright and ethical person. One
can politically disagree with him, but the Greens political party is deeply split as we know on
this and other issues. The New South Wales branch is often referred to by its own members in
the New South Wales upper house as being run by the 'Eastern Bloc'. They all live in the
eastern suburbs and are all communists, according to other members of the New South Wales
Greens.

So the 'Eastern Bloc's' longstanding plan has been to torpedo the current model of electoral
funding so that we would not have the mixture of private, public, government and
organisational funding with this increasing pattern of public disclosure and transparency,
which is a very good thing that this committee has recommended. Transparency, openness
and timeliness are very good things. They wanted an alternative model which would have
seen political funding exclusively from the federal government.

I costed this model according to the pattern of the Australian political parties in the last
electoral cycle, and it would have cost the Australian taxpayer $450 million to entirely fund
the political parties at their existing level of activity. The unstated benefit for the Greens
political party was that it would have increased their funding fivefold—from $10 million to
$50 million. The Australian taxpayer, instead of paying some $20 or $30 million matching
funding at election time, again with the pattern set out by this excellent report of increasing
transparency, timeliness and openness, would have been contributing entirely to
the funding
of political parties with the benefit going especially to the Greens.

It surprises me that Senator Rhiannon's views on the funding from Wotif to her own
political party seem to have been carried through with this report by saying that donatio
above $100,000 have to be disclosed within a recommended period of weeks. It is called a
'special reporting event' and must be disclosed within 14 days of the donation. I am not
against that, but this is a continuing reflection of the internal divisions
in the Greens political
party.

Mr CHESTER (Gippsland) (11:40): I appreciate the opportunity to contribute also to this
debate on the report on the inquiry into funding political parties and election campaigns. I
would like to thank all members of the committee for their involvement in what the member
for Mackellar has previously noted was quite a contentious issue and an inquiry process
which traversed some quite controversial territory.

The coalition members prepared a dissenting report because of our concern that many
recommendations in the report served the interests the Australian Labor Party, the Greens
and left-wing activist groups such as GetUp!. The most obvious example is in relation to the
recommendation to lower the threshold for disclosure to $1,000, which we believe was
another deal done to try and appease the Greens.

I want to take up the comments from the previous speaker in relation to the Greens
involvement in this issue. When it comes to the issue of electoral donation reform, there is a
remarkable exercise in double standards from the Greens. Over a period of weeks, months and
years, the Greens leader, Senator Bob Brown, has lectured other parties on a regular basis—
posturing and pontificating about the need to ban all corporate donations to political parties. At the same time, Senator Brown and his colleagues have lectured the other parties about what they regard as inappropriate sources of campaign funds or campaign donations and have sought to ban donations from tobacco companies.

But it was revealed during the public hearings that Senator Brown was directly involved in negotiating a $1.6 million donation to his party. He was also involved in discussions about whether to announce this massive donation before the election. I am not reflecting on any other matters that might be before the other chamber, but after all the bluster about transparency and the potential for large donations to influence party policy, the Greens were exposed as having received the biggest donation of all.

Evidence was given by the Greens that the sum of $1.6 million did not exert any influence at all upon the party. But Senator Brown and his colleagues continually allege that corporate donations, from organisations like tobacco companies, can have undue influence on political parties and individual MPs. Somehow we are meant to believe that the Greens are above reproach but all of those other nasty MPs in the Liberal Party, the National Party and the Labor Party can be bought off by political donations. The double standard here is quite appalling. We are talking about a sum of $1.6 million, which the Greens indicated in evidence to this parliamentary inquiry did not exert any influence over their political party at all in terms of its formation of policy—there were no strings attached. But we are being lectured on an almost daily basis by the Greens that other corporate donations received by other parties have the potential to exert undue influence over our policy-making processes.

This is yet another example of the 'do as I say, not as I do' mentality that the Greens have become infamous for. During the inquiry, Mr Brett Constable said:

I agree that it can be seen as hypocritical in terms of the direction we want to go, but it is the direction we want to go and we are not there yet, so we are constrained by the system we have. In order to be successful in election campaigns at the moment, you need a significant war chest. The $1.6 million was a fantastic contribution to our campaign.

He agrees that it could be 'seen as hypocritical'. I say to the Greens: you cannot have it both ways. If you are going to be out there advocating for a ban on corporate donations, if you are going to be out there advocating that certain companies are not allowed to give donations to political parties because they might exert influence on their policy-making processes, then you cannot accept $1.6 million from one donor and pretend that it has had no influence on your policy-making processes. This issue of political donations and public funding of election campaigns has exercised the minds of many MPs at the state and federal level in many jurisdictions around the world. I do not believe that a perfect system actually exists. We may not ever get to the stage where we have something that we can all be satisfied with.

It is critically important that the public has confidence in the system and can be reassured that there is no undue influence to be brought by people who can afford to make a donation to political parties. It is equally as important that any rules and regulations which are enforced are manageable and are applied equally to third parties such as the union movement and activist organisations such as GetUp! seeking to influence political decisions. I think we will see more of these organisations in the years ahead—organisations one step removed from the direct political process, which will not actually run candidates but seek to influence the political policy making of the day. It is very important that any rules, regulations or laws we
impose in relation to political donations and campaign funding reform also capture these
groups, which seek to have a significant influence on the public policy making of the day.

From my own perspective, I have previously expressed concerns about the so-called
campaign arms race when we debated the Commonwealth Electoral Amendment (Political
Donations and Other Measures) Bill 2009 in the House. At that time I raised several points
which I think are still relevant today. At the risk of repeating myself, I think that we need to
recognise in this place that the Australian public want to be reassured that the model of
campaign funding that we have in place is above reproach. They want us to provide
leadership in that area. Campaign funding reform is one of most critical issues facing our
democracy. We have an obligation to reform it where we can and, where possible, to improve
the current system.

But we must resist any reforms which would give one side a political advantage over the
other. That is one of our biggest challenges and the key reason why the coalition members of
this committee submitted a dissenting report, as we believe many of the recommendations in
this report were designed to give a political advantage to one side over the other.

We need to ensure that the community has confidence in our system. This perception of
undue influence can be equally as damaging as undue influence itself. Even if there is no
influence actually being exerted, if there is a perception of it then that can result in the
community losing faith in the process.

In the past I have advocated campaign funding caps but, through my involvement in this
inquiry, I am becoming increasingly aware that it would be very difficult to enforce that type
of model and those requirements in an election period, particularly when you consider the
participation by third parties such as the union movement or organisations like GetUp!

Without fixed terms at a federal level, the issue of what is the election period becomes very
difficult to define. So if you were to introduce that system of caps, when would they apply?
That would be difficult for us to do at a federal level, when we do not have fixed term
processes.

There is an aspiration in many of the debates in relation to campaign funding reform that
we need to level the playing field. I suppose that is an honourable objective, but it is probably
more realistic to suggest that we need a fair playing field. I do not think we will ever get to a
situation where it is level in the sense that everyone necessarily competes with the exact same
amount of funding for the campaign. I have become even more committed to the important
role and participatory nature of corporations and individual donors in our democratic system.

We do not want to head down a path where candidates are chosen because of independent
wealth or their capacity to raise funds, but we do need to ensure that there are opportunities
for participation in our democracy through active involvement in parties or through making
donations to the party itself.

In recent times I have developed a greater appreciation of the role that the corporate sector
can play in our democracy. My view on that has evolved over a period of years. I think the
corporate sector has often been maligned for making political donations but the involvement
with the corporate sector which I have had in recent years, since becoming a member of
parliament, has given me a better appreciation of the positive role that it can also play. The
corporate sector can be an excellent source of information for members of parliament and it

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can provide some technical expertise that members of parliament themselves would not be able to access in any other way. It is important that we have that relationship with our corporate sector, whether it be big business, small business or individuals. While I hasten to add that a cash-for-access type of approach is reviled by the general public I still think there is a very good role for the corporate sector to play in supporting our political parties. That role is in providing an opportunity for us to get a better understanding of how government policies affect real people on the ground. It is an important part of the process.

The coalition's dissenting report made a very important point in relation to that active participation in our democracy by campaign donors. We also made the point that there has been no evidence during the funding inquiry that there has been a particular problem with donations under the $11,900 threshold buying political influence. So in our submission we have rejected the position of the Labor Party and the Greens that the threshold be reduced to $1,000.

The coalition also raised some very good points in the dissenting report regarding the use of affiliation fees of associated entities obtaining to both political parties. The coalition believes that these affiliation fees, which often are in the hundreds of thousands of dollars, are far more cause for concern than donations which are under the $11,900 threshold.

I appreciate the opportunity to raise a few points today in relation to this issue. I think the debate about campaign funding reform will continue beyond today and beyond this report because it is such an important issue. As I said at the outset, any reform which is undertaken must be fair to all parties and not designed to give one political organisation an advantage over another.

Mr TEHAN (Wannon) (11:51): I was also a coalition member on this Joint Standing Committee on Electoral Matters, and I rise, basically to support the dissenting report that was put in by the coalition on this inquiry.

The inquiry found some rather disturbing things. I think if the inquiry had not been in many ways a political exercise it could have done a lot of good work in doing some further investigations into some of the things that arose from it. I point, in particular, to a matter which is with the other chamber. I do not, in any way, want to reflect on that, but evidence was given with regard to a specific large donation to the Greens. Also a large donation was given by the CFMEU to GetUp!. That opened a political can of worms in relation to how we deal with affiliations when it comes to campaign donations.

If this inquiry was to lead to anything, the next steps taken should be to look at how we deal with the whole issue of affiliates. Sadly, what happened was that the Labor Party and the Greens—one assumes that this was part of the grubby deal that was done by the Labor Party, and by Julia Gillard in particular, to get Greens support for her minority government—recommended that the threshold be reduced for political donations. There was really no compelling evidence whatsoever provided to the committee that would lead to this.

So, sadly, we can see that the inquiry was set up with a preordained purpose and outcome. But sometimes inquiries that are set up do not go the way you want them to go. We saw this with the whole issue of affiliates. If we are to go further in looking at how funding of political parties and political campaigns can be addressed and made—if not fair—transparent, we need to look at the whole issue of affiliates. Some of the evidence which was taken with regard to
GetUp! points to the fact that it seems to have been set up deliberately to help the left wing cause in Australian politics, especially during campaigns. It has been set up to get a large email database. It does not seem to have a proper membership base. How the money is directed to various campaigns seems to be a decision that is taken by a rather ad hoc committee. The whole democratic principle around how that committee is formed and how decisions are made seems to be a rather large grey area. It became clear to me that how they decide what campaigns they will favour or will not favour seems to be that they will always favour left-wing campaigns; it is just a matter of whether some of them are more to the extreme Left or not.

We have to be very clear and very transparent about what the organisation is about. I am not saying that we need to ban affiliates. All I am saying is that, if we are going to be truly transparent about the processes we look at, we have to ensure that there is full transparency of all those involved in election campaigns. If we do not we will see a move, which we have seen in many ways in the US, to these affiliates being set up and see large amounts of money pour into those affiliates. That will be at the expense of the proper and transparent process which occurs normally now where, if people donate to a political party and that donation is over the current threshold, it is rightly recorded and is there for all to see.

I also think that we need to be very careful to make sure that the threshold is set at a sensible level. One of the worries that small businesses, farmers and corporations have in donating to political parties is that they do not want to see retribution as a result of their donation. There needs to be the ability for them to donate without having a political party go through and examine records and then, potentially, seek retribution for that donation. That said, the threshold needs to be set at a sensible level so that people can give to a cause they believe in and that they think serves their overall interest by reducing red tape, by cutting taxes and by stopping government waste. They should be able to contribute to making sure we get good governance in this country and they should be able to do that without their names being held up on the public record.

I think the current threshold that we have is very sensible in that regard and should be maintained. In this report we have one side saying that the threshold needs to be lowered. It seems quite ironic that the Greens in their deal with the Labor Party made it a precondition that the threshold be reduced, yet we saw compelling evidence that a very large donation had been made to the Greens without their even batting an eyelid. How you reconcile that seems, on the face of it, to be gross hypocrisy, and as you delved into it it became even more apparent that it was gross hypocrisy. I do not know. That is why I think that, if we are serious about taking the next steps in this inquiry, there definitely should be a detailed examination of how affiliates work in our electoral system. We saw that with GetUp! There are also arguments to be made about how the trade union movement should be examined in that regard. I think we are seeing some interesting developments in the Australian democratic process because the unions have, on the whole, always donated to the Australian Labor Party but now we are seeing more and more that they are prepared to throw their weight behind the Greens as well. I think we need to have a look at the nature of that funding, what is happening with it and how it would be used because those affiliations are important. In the same way that we do that, we should look at affiliations across the board. I think that is where we should head with this inquiry.
I am sad to say that this inquiry did seem to be preordained in nature. We did hear some very good evidence, but the line of questioning seemed to be heading in the direction that the government and the Greens want to go on this. Therefore the coalition has put in what I think is a very detailed and a very good dissenting report. I would like to take this opportunity to thank the other members of the coalition who worked so tirelessly on this report. We had Bronwyn Bishop leading the way. Anyone who sat in on any of the hearings would find it difficult not to have been impressed by the way that Bronwyn interrogated, examined and left no stone unturned in trying to get to the bottom of all the issues when it came to this inquiry. Occasionally there were some fierce interchanges with the chair, but I think Ms Bishop was very determined to make sure that all the issues were examined very thoroughly and that we were not wasting our time. I commend her for the way she went about her business. As a new member of parliament in my first term, there was a lot to learn from the way Bronwyn Bishop went about her interrogations. To the member for Mackellar I say well done.

Senator Scott Ryan, who has a very detailed knowledge and interest in these areas and follows these issues extremely closely, was also a pleasure to work with on this committee. His knowledge and background was invaluable in teasing out all the issues. I must say that his dedication to the cause also came out. Scott became a father during the process and I would like to congratulate him on that wonderful achievement. That did not stop him from being on the phone when we had hearings. I would like to thank the committee for allowing that practice because it meant that Scott could continue to participate, examine witnesses and get to the heart of what the inquiry was all about. He did an outstanding job at that.

It was a very good experience to sit on a committee such as this with my friend from the other side of Victoria, the member for Gippsland, Darren Chester. We were both able to bring a very strong regional and rural perspective to this issue, which I think is important because in trying to raise funds for election campaigns we have to deal with these issues in a different way to our urban colleagues. I think we both agree that this is one of the reasons why reducing the cap is going to make it harder, especially for those out in regional and rural areas where communities are a lot smaller and public disclosure of these things can be more significant. There is a need to set a sensible threshold. I would like to thank the member for Gippsland for his camaraderie and, I think, the very valid points that he raised through this.

I would ask that when this issue is taken forward our dissenting report be examined as closely, if not more closely, than the government's report. We put a lot of time and effort into really getting to the heart of the matters here. I think in particular that if we are serious about taking the next step from this committee inquiry that we need to have a serious inquiry on how affiliates work in the electoral process—particularly when it comes to funding campaigns. I think we all would agree that transparency is the first step we need to ensure.

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (12:05): I have been a part of the political process for 53 or 54 years. I have my 50-year medal from the National Party, and I am now a proud member of the LNP as well. I have seen a lot of developments go on in how funds are raised and the purpose to which they are put at election time. Let me say that the vast majority of people in all political parties go out with their chook raffles and run all sorts of things, like jam stalls, gymkhanas and race meetings—all sorts of things—to raise money to participate in the political process.
The vast majority of members work in their electorates at small functions and raise small donations. This is all to do with participatory democracy. It allows everyone to play a part. I must admit that when I saw this report I was quite taken aback. As I think two of the previous members said, this inquiry was an opportunity for a new start: to simplify laws, to simplify the rules, to remove the excesses and to make the whole process transparent. But it has become the exact opposite.

If you want any further proof of that—and, by the way, I do not reflect on the secretariat of the joint standing committee—just read the press release which, presumably, was under the hand of the chair, Daryl Melham. Read the recommendations that were in that press release: reduce the threshold from $11,900 to $1,000; single donations of $100,000 to be disclosed within 14 days; and treat related political parties as the same party—all these things. You can go right down through the whole list, and they all say, 'Let's make it as hard as possible for the conservative side of politics. We will make it as difficult as you can possibly imagine. Hey, but hands off the unions, hands off any related environmental groups that might be supporting the Greens and hands off things like credit cards paying for political material.' If you are going to be fair dinkum and you are going to have transparency, then the rules have to be not only in actuality but in spirit the same for both sides. As previous speakers have said and as the dissenting report concludes, there has been no evidence over recent years of any abuses of the threshold, of $11,900. Is anyone seriously going to be corrupted for $11,900, particularly a businessman? Of course not. Is any member of parliament seriously going to be corrupted because one or two people give a large donation of around $10,000 or $12,000? Of course not. To reduce that to $1,000 will hogtie the party that relies on that form of donation more than other parties.

On the proposal that single donations of $100,000 or more be disclosed within 14 days, I would not die in a ditch on this one. The principle of large donations being readily disclosed probably has some merit. But there is one clear implication of the 14-day limit: if the conservative side of politics were to get a large donation in the course of an election campaign, this rule would almost certainly force the donation to be revealed before the election day. At the same time, if affiliated third parties are spending the same sort of money—as unions have in the past to support the other side of politics—then somehow that is deemed to be okay.

Treating related political parties as the one entity would have a particularly unfair effect on the Country Liberal Party in the Northern Territory, on the LNP in Queensland and on the Nationals in Western Australia. They are individually-run state parties. And for that matter the Nationals in Victoria, South Australia and New South Wales fall into the same category. They are state based parties. They have efficient head offices. They raise funds and they report their funds. Why should their funding have to be considered in concert, for example, in the case of the LNP with either the Liberal Party or the National Party? It is by its very nature an already merged political entity. Would it have to report through both the Liberal Party and the National Party? How would you differentiate the amounts that they would have to declare in each case? To differentiate that would be a nightmare. It would place another layer of unnecessary compliance and bureaucracy over state based parties.

Those parties that I just mentioned have always tended to be state based parties. That is not said with any intended criticism of the Liberal Party or the Labor Party, which tend to be
nationally controlled parties. But an electoral act should make provision for all sorts of parties, not just provisions for the political convenience of one side or the other.

The proposal that the money raised at fundraising events be counted as donations is one of the most ridiculous propositions that we have heard here. New South Wales and Queensland are already trying to enforce this, and what a nightmare it is. Every person who goes to a dinner has to get a receipt and that receipt has to play back through the political process to make sure that over a year any particular person did not donate above the threshold. It virtually looks into the chequebooks or bank accounts of anyone who happens to like a political party.

Some people like to go and hear Kevin Rudd or John Howard at a function—some people really like to go to those functions; that is their buzz. They see those big events where party leaders make national statements and up to 500 of the faithful turn out as significant. People like to be part of that participatory democracy. Are they going to be corrupt because they pay $50, $100, $250 or $500 to go to that function? Why would we want to turn those things into political donations? Make the proceeds of the actual function a declarable political donation—that is fair enough; I have no hang-up with that—but interfering in people's lives to this effect seems to me totally unnecessary and, if anything, it dampens down the vibrancy and the participatory nature of our democracy.

I repeat that I am working from the committee's own report, and I stress that I am not making any inference against the secretariat. The report has come out in the name of the chairman and therefore his side of politics can answer for it. Disclosure reporting is to occur six-monthly instead of annually. Isn't there enough bureaucracy going on without that? What possible good purpose would that serve, especially if you are going to have another rule that donations of $100,000 or more have to be revealed within 14 days? There is not much scope left—there will not be a lot of big donations between federal elections, but there might be some in the election year. So why would you start imposing that rule for six-monthly periods? What possible good does it do?

There is a recommendation that anonymous donations above $50 be banned. There are some sporting events in Australia now that you cannot go to for under a hundred bucks. I have never been a great believer in all this high-powered national sport which has killed off a lot of the great participation of suburban teams in football and cricket and other competitions, but we have it here now and we pay a lot more than $50 to go to major sporting events. At the very least we could make it $100 or perhaps $250, but $50! Are you going to try to tag all those $50 donations somehow? You can't. The best thing to do in a case like this is to set a realistic level.

If we move to the other side of politics, we have the Greens accepting a donation after insisting, hand on heart, with the purest of intentions, that these donations to the dreadful major political parties had to be capped. They accept from Graham Wood the biggest donation in Australian political history, $1.6 million, and they try to say that in their case it did not garner political favour—it always does with those dreadful Labor Party and Liberal Party and National Party people, but not with them. Mr Constable, who is the national manager of the Greens, said in evidence before the committee that the donation was 'a fantastic contribution to our campaign'. That is it, plain and simple.
The union movement has a great deal of influence in Australia. I am not against unions—I am a great believer in them, and especially voluntary unionism. It is fair enough if unions want to participate in the political process on either side of politics, providing the rules that apply to the broader community apply to unions. It can be seen, for example, that because the membership of unions is tax deductible and certain donations for unions are tax deductible, then therefore, if you channel your funds into political campaigns that way then yes, you do get tax deductibility. Not only that, but with the union being a third party in the process it is not subjected to the same rigours as the major political parties. As I said, I am not knocking unions, but I think that what we need to have is a rule that fits all.

I am disappointed in this report. I think it was a lost opportunity. I do not think it is going to make the political process any fairer, and I think it is going to lead to untold bureaucracy and an unnecessary strain on people that may drive them out of the participation process.

Debate adjourned.

Gambling Reform Committee

Report

Debate resumed on the motion:
That the House take note of the report.

Mr CIOBO (Moncrieff) (12:21): I am certainly pleased to rise to speak to the Parliamentary Joint Select Committee on Gambling Reform's second report into interactive and online gambling and gambling advertising as well as a bill, Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011.

I speak to this report from the position where I had the good fortune, some might say, of being the coalition's delegate to the United Nations General Assembly. That impacted upon my opportunity to participate in this inquiry. I had the good fortune of being able to be part of the initial hearings that took place and the preliminary work that was undertaken in the lead up to this inquiry, but I was unable to participate in the public hearings that took place in the latter part of this inquiry. That notwithstanding, this remains an area of particular interest to me. It is an area that deals with regulation on the Commonwealth level as well as a review, to some extent, of state and territory based legislation that deals with interactive gambling and, more broadly, the issue of sports betting and the other forms of gambling.

We know from the inquiry—and I certainly do share common ground with both the committee chair and with Labor members of the committee—that there is a rapidly growing segment of the market that is dealing with online gambling and with sports betting. There is no doubt that this is an area that is growing rapidly. And the work that the committee has undertaken with regard to interactive gambling and online gambling builds upon the work that the committee has undertaken in respect of electronic gaming machines. Indeed, there are references in the chair's draft comments that deal with this particular issue.

There can be no doubt that there is community angst about the level of problem gambling in Australian society. That is understandable and justifiable. There can be no doubt that problem gambling has a very negative and profound impact on the lives of many Australians. To want to deal with the negative externalities that flow from a pathological addiction to gambling is, of course, natural, and something that I completely support and endorse.
The question always, though, is how: how we, as a government—and I use the term in the broadest sense, obviously, as a member of the opposition—deal with people who have a problem controlling their urges when it comes to gambling. It just so happens that the focus of this inquiry dealt with those urges in relation to sports betting and in relation to interactive gambling. Concurrently with the inquiry process that was undertaken by the gambling reform committee, there was of course a separate coalition gambling reform committee which is still looking at this as a policy alternative and an area of policy development for the coalition.

In this respect, the supplementary comments that were made by the coalition committee members highlighted that in many respects we were withholding our judgment until the coalition gambling reform committee completed its work and analysis on problem gambling insofar as it related to this inquiry on online interactive gambling and sports betting. As a personal member of the House, I would highlight some of the concerns that I have in respect of some of the recommendations that were made by the committee in the majority sense, that being Andrew Wilkie, the member for Denison, the Independent Senator Nick Xenophon and, of course, the Labor members of this inquiry. To put some context around this, the Interactive Gambling Act was actually an initiative of the Howard government. This act was put in place in 2001 at the behest of the then coalition government as an attempt to deal with the issues of online gambling and interactive gambling, and it was the precursor to this inquiry in many respects, although it was more than a decade ago. What has changed in that period of time? I have read through the recommendations and in the broader sense there are many aspects of the recommendations that seem reasonable and well-intentioned with regard to trying to reduce the incidence of problem gambling and trying to reduce the inducements that may lead to problem gambling.

However, there are some recommendations in this report that I personally—I am not speaking on behalf of the coalition but as a member of parliament—find bizarre to say the least. Take, for example, recommendation 16. I will not read all of the recommendation because it is a fairly lengthy one, but in summary it says that the committee recommends that the COAG Select Council of Gambling Reform, in consultation with others, look at developing:

... a mandatory national code of conduct for advertising by wagering providers covering:

- inducements to bet;
- credit betting and third party commissions;
- harm minimisation messages on responsible gambling; and—
and it is this fourth one that I find, frankly, bizarre—

- other nationally consistent standards to restrict certain forms of sports betting advertising, which at a minimum, should include a ban on the display of gambling companies’ logos on sporting players’ uniforms and merchandise (such as children’s replica sports shirts), as well as restrictions on the giveaways of free merchandise which depict betting companies’ logos.

I highlight in particular this recommendation because I think this underscores the way in which this debate is perhaps being a little railroaded.

There is, some would argue—and I suggest the chair and obviously Labor members opposite support this point of view—a precedent for the banning of company logos on sporting players’ uniforms as well as restrictions on the giveaways of free merchandise which
Ms Rishworth: Sounds like you're saying gambling is not addictive!

Mr CIOBO: I hear the member opposite interjecting and asking, 'Well, is gambling not addictive?' That is right; gambling is not addictive, and I find it incredible that Labor members are so ignorant of this fact. The reality is that—

Ms Rishworth interjecting—

Mr CIOBO: The member opposite now goes and makes a huge jump to make the statement, 'Oh, so no-one gets addicted to gambling!' No. Some people do get addicted to gambling; absolutely. I would not dispute that for one moment.

This is the crazy, twisted logic of the Australian Labor Party. Some people get addicted to gambling—in the same way that some people get addicted to alcohol, some people get addicted to exercise, some people get addicted to dopamine and some people get addicted to eating poppy seeds—but we do not run around and ban all of those things. I have news for Labor members opposite: some people get addicted to poppy seeds, but we do not ban them on fruit toast, on buns or as a product in stores. The simple reality is that Labor members opposite and the member for Denison and the Independent Senator Nick Xenophon do not understand that because some people unfortunately have a problem controlling impulses it does not mean that we therefore go and regulate an entire industry out of existence. The reality is that the vast majority of people do not struggle with problem gambling. The vast majority of people find gambling a recreational tool. They enjoy it. They go and have a flutter. They go and enjoy themselves, whether it be on the gee-gees, the dogs, or online or in a poker tournament, or on a hand of blackjack or a poker machine. They do it in a responsible way because they are adults. They do not need Labor members of parliament telling them how to live their lives.

To highlight the absolutely crazy way that the Labor Party gets all breathless about being big government is to witness the debate that has just taken place here in the Federation Chamber. We as coalition members understand that in the main Australians are mature enough to make decisions about what they want to do with their money. The notion that in some way you can parallel having a sports betting company logo on a player's uniform as being the equivalent in a moral sense to a cigarette company logo, is farcical—completely and utterly farcical.

There are millions of people that place bets. What next? Should we ban the Melbourne Cup? Should the Australian Labor Party go out there tut-tutting and getting on their moral high horse, saying, 'Gee, do you know what? There are a lot of Australians who place a bet and—according to the member opposite—'betting is addictive, so therefore the Melbourne Cup should be off limits. Let us ban the Melbourne Cup.' It all started with Phar Lap and
those drug pushers that were running Phar Lap around the ring! It is this kind of completely twisted logic that underscores why the Australian Labor Party would support a recommendation like this. They want to ban having a gambling company's logo on sporting players' uniforms.

Mr Neumann: Your side supported as well!

Mr CIOBO: The Labor member does not even understand what is going on. The Labor member is now claiming that as a member of this committee I am supporting this recommendation. I take this opportunity to highlight this page here: 'Coalition committee members additional comments', for the benefit of members opposite. They are clearly quite confused about the reality of what is taking place, which is why I am in Federation Chamber making clear areas of difference between the Labor Party's Big Brother heavy-handed approach and the coalition's approach.

Let us be clear on one particular aspect though. There are Australians who struggle with a pathological addiction to gambling. There are Australians that struggle with problem gambling in the same way that there are Australians who struggle with their eating, with alcohol abuse and with poppy seed abuse. We need to make sure that we equip those people that have the problem with the skills, access to counselling and the ability to control those urges, that they currently do not have.

That is why there are some recommendations that make sense. For example, we do not want to expose children to live odds and to sports betting during peak viewing times for children. But we do want to ensure that we do not take a completely over-the-top, knee-jerk reaction to these kinds of things by implementing some of the restrictions that have been outlined. That is precisely the reason why coalition members made additional comments, to highlight that when it came to each of these reforms we would be looking at it through a coalition process and forming our view subsequent to the coalition policy committee.

In the short time remaining, I would like to touch upon one other aspect. As I said, this was originally a coalition act, the Interactive Gambling Act. I find it passing strange that anybody who has spent longer than 30 seconds on the internet would know that you simply go to Google.com, for example, punch in 'poker' and hit return, and you will be offered and array of websites. You do not know where they are hosted, by and large, but you will be offered, if not thousands, probably hundreds of thousands of websites where you can gamble. We somehow think, because we in Australia have passed a particular piece of legislation—which has now been in existence for a decade—that Australians are going to go, 'Oh, no; I'm not going to go and gamble on Poker.com because I'm not allowed to under the Interactive Gambling Act.' The notion that we can in some way control the internet, that we can somehow pull the curtains down or lift up the drawbridges, so that Australians do not have access to internet gambling sites is utterly farcical. These sites exist now although they are prohibited, and they will continue to exist although they are prohibited under the IGA. They exist because we do not have extra jurisdictional reach. What is the point of having a completely useless bill in place?

What we would be much better off doing is working with industry in a constructive way to provide alternatives that are well-regulated and transparent to Australians. We would be better off working constructively with those that seek to address the concerns of problem gamblers.
by providing, for example, access to counselling services. With that, I conclude my comments.

The DEPUTY SPEAKER (Ms AE Burke): I thank the member for his entertaining contribution.

Mr NEUMANN (Blair) (12:36): I am on the Joint Select Committee on Gambling Reform. I actually attended the public hearings and read the submissions, and I cannot recall, during the public hearings that I was at, one question being asked by a coalition member in relation to recommendation 16. That is the recommendation that we do not have online sport betting companies' logos on sporting uniforms and merchandise. I do not want sports betting logos displayed on the Rugby League uniforms of 10-year-old kids running around the Gold Coast. I do not recall one such question.

The member opposite, the member for Moncrieff, talks about the additional comments of the coalition. Can I just say this: I do not think he has read the coalition committee members' additional comments. He says that he has some objection to recommendation 16. When you read these additional comments, there is no reference whatsoever to recommendation 16, no objection whatsoever to what he had to say.

Mr Ciobo interjecting—

Mr NEUMANN: None whatsoever. And yet here he is in here saying this. If the coalition was so opposed to it, why did they not ask questions in relation to it? Why did they not, in fact, take any steps to do a dissenting report? Because the coalition members on the committee supported recommendation 16. Those opposite do not even understand this.

I do not want Rugby League teams for 10-year-olds on the Gold Coast to have uniforms with 'SportsBet.com' on them.

Mr Ciobo interjecting—

Mr NEUMANN: And the member opposite mocks. He has mocked today the nearly 100,000 problem gamblers in this country. He has mocked today the approximately 500,000 Australians who are at risk of becoming, or who are, problem gamblers. He has mocked today the $4.7 billion social and economic cost to this country of problem gambling. That is the reality.

The reality is that those opposite in the committee supported what we are recommending. There was no dissenting report. The member for Moncrieff was not there, and clearly has not read the submissions made by organisations, researchers and stakeholders in relation to this. There were some very interesting reports and submissions. Very interesting evidence was given by Dr Sally Gainsbury and Professor Alex Blaszczynski. They gave very cogent evidence of the impact of online gaming on not just adults but on young people. They said that the problem was the normalisation of behaviour. They gave evidence that very young people engage in online gaming and that males as young as 10 are now seeing this as an everyday part of sporting events. They go online and bet because they watch the AFL and the NRL and they see the odds being shown. They think it is all part of it. They get together with their mates and engage in this. This is not something to be mocked or ridiculed or made a joke of. This has a serious impact on children. I suggest the member for Moncrieff should actually have a look at the submissions and read the transcripts. If he had, he would not come in and make a mockery of serious recommendations that are trying to limit the harm for young
people, particularly children. There are a number of recommendations here suggesting that we prohibit gambling advertising during times when children are likely to watch.

The impact of problem gambling is a real problem. The submissions said that the characteristics of internet gamblers are different to those of the average person. For example, it is much easier to spend money on internet gambling. The member for Moncrieff should listen and stop talking to his mate over there.

Mr Ciobo: Say something worth while and I'll listen.

The DEPUTY SPEAKER (Ms AE Burke): The member for Blair does not get to tell members in the chamber what to do.

Mr NEUMANN: Dr Gainsbury and Professor Blaszczynskis said this on the characteristics of internet gamblers in Australia:

… 28% of the preliminary sample of Internet gamblers reported that Internet gambling was too convenient, 25% report that it was easier to spend more money and 13% reported that it was more addictive …

Mr Ciobo interjecting—

The DEPUTY SPEAKER: The member for Moncrieff has had his opportunity.

Mr NEUMANN: That is what the research says. That is what the experts say. I am not aware that the member for Moncrieff has any expertise in the area. As on climate change, we are prepared to listen to the experts and those opposite listen to the sceptics. They are not prepared to listen to the experts with respect to problem gamblers either.

We believe we need to take steps in relation to his matter. That is why the government is acting. We are addressing these concerns. We are banning the promotion of live odds during sporting coverage. When I watch my beloved Brisbane Broncos play and hopefully win the NRL this year, I do not want to see those odds come up every Friday night. You see it at the beginning of almost every game. Even before the game has started you can see it. You watch it during the game and you see the odds change. It is the same thing with the AFL in the southern states. It is just wrong. Children watch this. For example, I have got three little nephews who are mad keen Broncos supporters—they are very sad that Darren Lockyer has retired—and they watch it. Those three little boys sit there on the couch and watch the football. Go to any rugby league contest, go to Lang Park, and see how many kids are there. You can see the normalisation of these problems if you go to any major sporting event.

We are going to ban the promotion of live odds during sporting coverage. We are going to extend precommitment to online betting services. We are going to crack down on online sports betting companies that offer credit and introduce stricter limits on betting inducements. I think that is important as well. We are going to increase the powers of the Australian Communications and Media Authority to enforce these new rules. This is not about big brother; this is about protecting children who are vulnerable and at risk. They do not have the emotional or psychological capacity to understand what is happening to them.

Australians like to have a flutter and a punt and that is fine—Melbourne Cup, lotto, scratchies and raffles. No-one is saying they cannot do that, but we do take steps to protect children. We do take steps to minimise harm for them because we are not all John Stuart Mill on that stuff. We believe the harm is impacting on children and on families. When it comes to this particular issue we regulate activities which are not illegal, for example, alcohol. Do not
say we do not regulate the industry; we do. It is the same thing in relation to gambling. We are not saying that someone cannot have a drink, but we do not believe that we should set an example for children that it is okay to drink to excess or that it is normal to drink to excess. It is the same thing with gambling.

The government will engage with the states and territories and we have decided that the Department of Broadband, Communications and the Digital Economy will undertake a review of the Interactive Gambling Act 2001. I am comforted that the minister has said that review will take into consideration the recommendations of the Joint Select Committee on Gambling Reform, which were released in December last year. The government will release the review in 2012. We have made it plain that, following this, we will introduce legislation to amend the Interactive Gambling Act to get rid of the inconsistencies and ambiguities mentioned in our recommendations and to enable our current commitments and any further reforms that we believe are necessary. We are doing this because we think it is best practice but also because we want to protect people from harm.

I go back to recommendation 16, which the member for Moncrieff mentioned. I want to make it plain that that recommendation refers to children's replica sports shirts. He was in this place making a mockery of a recommendation supported by this side, the Independents that we should restrict certain forms of sports-betting advertising, that it should not go on the shirts of 10-year-old kids who play rugby league on the Gold Coast. That is what we were saying, and he comes into this place and does that.

We have also recommended that there be restrictions on the giving away of free merchandising because, if free merchandising depicts betting company logos, kids run around with those and they think it is all part of it. They think the name of the Brisbane Broncos, or the name of some sporting team they are devoted to or follow, is identified with a sports-betting company. A 10-year-old kid thinks it is great. But look at what the experts are telling us: that 10-year-old kid is just the sort of kid, who, with his mates, will go on the computer, go on the internet and start engaging in online betting. That is what the submissions said and that is what the experts said. I say to the member for Moncrieff and anyone who might be listening: that is why that recommendation is in this report and that is why it was unanimous. We followed the expert advice.

There are many other recommendations that I think will help. We are talking about education campaigns, because it is important to educate people. It is important to educate young people and to highlight the risk of harm. We think it is also important that there be better research. There is not enough research in this area to indicate the impact on families and individuals. We also want to make sure that there are consistent consumer protections and standards for tighter controls on the practice of credit betting, which we think is important. Some evidence that we got was really quite startling, and I will never forget it. It was in relation to how these organisations are quite nefarious and insidious in the way that they suck people in, even experienced businessmen, to get involved in websites that look like they are from Australia but really could be from Gibraltar or anywhere. I remember distinctly Senator Xenophon talking of someone who consulted him, a very experienced businessman who got sucked in entirely and lost about $90,000.

So we are going to work with other governments. We are going to consult with industry and we are going to take steps to address this problem. I do think there is a need for a review.
of the 90-day time limit to verify identity when opening a betting account—the 90-day period is time to pause, consider and reflect—with a view to reducing it to 72 hours if we need to in order to minimise the risk of minors using the current time frame to gamble illegally. All through this inquiry I asked question after question about the impact on families, individuals and children. All through the inquiry we got the same message from every expert who gave evidence about the impact on individuals.

There are five million Australians who are either problem gamblers or at risk of being problem gamblers. With only about 15 per cent of problem gamblers seeking help, this is not a problem to be mocked, because it impacts on families and communities around the country. It impacts on families and their friends, on employers of problem gamblers and on children and it brings forward generational problem after generational problem.

We think that the unanimous, bipartisan recommendations of this committee are worth consideration, and the government has committed to considering those. Coalition members of the committee played a constructive role. I would suggest that the member for Moncrieff go and chat to them and that he also read the submissions and the transcripts and see the evidence, see what the experts say and know. The recommendations put by this committee are based on evidence, on best practice and on what should happen. It is in the best interests of our country, of communities like his and mine in South-East Queensland, and it is in the best interests of individuals and families throughout the country. It is a shame that the member opposite comes in here and makes fun of such a difficult problem.

Debate adjourned.

Federation Chamber adjourned at 12:51.