**INTERNET**


Proof and Official Hansards for the House of Representatives, the Senate and committee hearings are available at http://www.aph.gov.au/hansard

For searching purposes use http://parlinfo.aph.gov.au

**SITTING DAYS—2014**

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>11, 12, 13, 24, 25, 26, 27</td>
</tr>
<tr>
<td>March</td>
<td>3, 4, 5, 6, 17, 18, 19, 20, 24, 25, 26, 27</td>
</tr>
<tr>
<td>May</td>
<td>13, 14, 15, 26, 27, 28, 29</td>
</tr>
<tr>
<td>June</td>
<td>2, 3, 4, 5, 16, 17, 18, 19, 23, 24, 25, 26</td>
</tr>
<tr>
<td>July</td>
<td>14, 15, 16, 17</td>
</tr>
<tr>
<td>August</td>
<td>26, 27, 28</td>
</tr>
<tr>
<td>September</td>
<td>1, 2, 3, 4, 22, 23, 24, 25, 30</td>
</tr>
<tr>
<td>October</td>
<td>1, 2, 20, 21, 22, 23, 27, 28, 29, 30</td>
</tr>
<tr>
<td>November</td>
<td>24, 25, 26, 27</td>
</tr>
<tr>
<td>December</td>
<td>1, 2, 3, 4</td>
</tr>
</tbody>
</table>

**RADIO BROADCASTS**

Broadcasts of proceedings of the Parliament can be heard on ABC NewsRadio in the capital cities on:

- **ADELAIDE** 972AM
- **BRISBANE** 936AM
- **CANBERRA** 103.9FM
- **DARWIN** 102.5FM
- **HOBART** 747AM
- **MELBOURNE** 1026AM
- **PERTH** 585AM
- **SYDNEY** 630AM

For information regarding frequencies in other locations please visit http://www.abc.net.au/newsradio/listen/frequencies.htm
FORTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD PERIOD

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

House of Representatives Office holders
Speaker—Hon. Bronwyn Kathleen Bishop MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell
Members of the Speaker’s Panel—Mrs Karen Lesley Andrews MP,
Mr Russell Evan Broadbent MP, Mr Alexander George Hawke MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Mr Ewen Thomas Jones MP, Mr Craig Kelly MP, Hon. Charles Christian Porter MP,
Mr Donald James Randall MP, Mr Ross Xavier Vasta MP, Mr Brett David Whiteley MP

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

Party Leaders and Whips
Liberal Party of Australia
Leader—Hon. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Hon. Philip Maxwell Ruddock MP
Government Whips—Mr Scott Buchholz MP and Ms Nola Bethwyn Marino MP

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

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

Printed by authority of the House of Representatives
<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, The Hon. Anthony John</td>
<td>Warringah, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Albanese, The Hon. Anthony Norman</td>
<td>Grayndler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Alexander, Mr John Gilbert OAM</td>
<td>Bennelong, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Andrews, Mrs Karen Lesley</td>
<td>McPherson, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Andrews, The Hon. Kevin James</td>
<td>Menzies, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Baldwin, The Hon. Robert Charles</td>
<td>Paterson, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bandt, Mr Adam Paul</td>
<td>Melbourne, VIC</td>
<td>AG</td>
</tr>
<tr>
<td>Billson, The Hon. Bruce Fredrick</td>
<td>Dunkley, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Bird, The Hon. Sharon Leah</td>
<td>Cunningham, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bishop, The Hon. Bronwyn Kathleen</td>
<td>Mackellar, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, The Hon. Julie Isabel</td>
<td>Curtin, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Bowen, The Hon. Chris Eyles</td>
<td>McMahon, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Briggs, The Hon. Jamie Edward</td>
<td>Mayo, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Broad, Mr Andrew John</td>
<td>Mallee, VIC</td>
<td>NATS</td>
</tr>
<tr>
<td>Broadbent, Mr Russell Evan</td>
<td>McMillan, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Brodtmann, Ms Gai Marie</td>
<td>Canberra, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Brough, The Hon. Malcolm Thomas</td>
<td>Fisher, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Buchholz, Mr Scott</td>
<td>Wright, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Burke, Ms Anna Elizabeth</td>
<td>Chisholm, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Burke, The Hon. Anthony Stephen</td>
<td>Watson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Butler, The Hon. Mark Christopher</td>
<td>Port Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Butler, Ms Terri Megan</td>
<td>Griffith, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Byrne, The Hon. Anthony Michael</td>
<td>Holt, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Chalmers, Dr James Edward</td>
<td>Rankin, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Champion, Mr Nicholas David</td>
<td>Wakefield, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Chester, The Hon. Darren</td>
<td>Gippsland, VIC</td>
<td>NATS</td>
</tr>
<tr>
<td>Chesters, Ms Lisa Marie</td>
<td>Bendigo, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Christensen, Mr George Robert</td>
<td>Dawson, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Ciobo, The Hon. Steven Michele</td>
<td>Moncrieff, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Clare, The Hon. Jason Dean</td>
<td>Blaxland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Claydon, Ms Sharon Catherine</td>
<td>Newcastle, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Cobb, The Hon. John Kenneth</td>
<td>Calare, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Coleman, Mr David Bernard</td>
<td>Banks, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Collins, The Hon. Julie Maree</td>
<td>Franklin, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>Conroy, Mr Patrick Martin</td>
<td>Charlton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Coulton, Mr Mark Maclean</td>
<td>Parkes, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Danby, The Hon. Michael</td>
<td>Melbourne Ports, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Dreyfus, The Hon. Mark Alfred QC</td>
<td>Isaac's, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Dutton, The Hon. Peter Craig</td>
<td>Dickson, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Elliott, The Hon. Maria Justine</td>
<td>Richmond, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, The Hon. Katherine Margaret</td>
<td>Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Entsch, The Hon. Warren George</td>
<td>Leichhardt, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Feeney, The Hon. David</td>
<td>Batman, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Mr Laurie Donald Thomas</td>
<td>Werriwa, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Fitzgibbon, The Hon. Joel Andrew</td>
<td>Hunter, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Fletcher, The Hon. Paul William</td>
<td>Bradfield, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Frydenberg, The Hon. Joshua Anthony</td>
<td>Kooyong, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Gambaro, The Hon. Teresa</td>
<td>Brisbane, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Giles, Mr Andrew James</td>
<td>Scullin, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Gillespie, Dr David Arthur</td>
<td>Lyne, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Goodenough, Mr Ian Reginald</td>
<td>Moore, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Gray, The Hon. Gary AO</td>
<td>Brand, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Griffin, The Hon. Alan Peter</td>
<td>Bruce, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Griggs, Mrs Natasha Louise</td>
<td>Solomon, NT</td>
<td>CLP</td>
</tr>
<tr>
<td>Hall, Ms Jill Griffiths</td>
<td>Shortland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hartsuyker, The Hon. Luke</td>
<td>Cowper, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Hawke, Mr Alexander George</td>
<td>Mitchell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hayes, Mr Christopher Patrick</td>
<td>Fowler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Henderson, Ms Sarah Moya</td>
<td>Corangamite, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Hendy, Dr Peter William</td>
<td>Eden-Monaro, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hockey, The Hon. Joseph Benedict</td>
<td>North Sydney, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hogan, Mr Kevin John</td>
<td>Page, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Howarth, Mr Luke Ronald</td>
<td>Petrie, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Hunt, The Hon. Gregory Andrew</td>
<td>Flinders, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Husic, The Hon. Edham Nurreddin</td>
<td>Chifley, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hutchinson, Mr Eric Russell</td>
<td>Lyons, TAS</td>
<td>LP</td>
</tr>
<tr>
<td>Irons, Mr Stephen James</td>
<td>Swan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Jensen, Dr Dennis Geoffrey</td>
<td>Tangney, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Jones, Mr Ewen Thomas</td>
<td>Herbert, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Jones, Mr Stephen Patrick</td>
<td>Throsby, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Katter, The Hon. Robert Carl</td>
<td>Kennedy, QLD</td>
<td>AUS</td>
</tr>
<tr>
<td>Keenan, The Hon. Michael</td>
<td>Stirling, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Kelly, Mr Craig</td>
<td>Hughes, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>King, The Hon. Catherine Fiona</td>
<td>Ballarat, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Laming, Mr Andrew</td>
<td>Bowman, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Landry, Ms Michelle Leanne</td>
<td>Capricornia, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Laundy, Mr Craig</td>
<td>Reid, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Leigh, The Hon. Dr Andrew Keith</td>
<td>Fraser, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Ley, The Hon. Sussan Penelope</td>
<td>Farrer, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Macfarlane, The Hon. Ian Elgin</td>
<td>Groom, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Macklin, The Hon. Jennifer Louise</td>
<td>Jagajaga, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>MacTierman, The Hon. Alannah Joan Geraldine Cecilia</td>
<td>Perth, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Marino, Ms Nola Bethwyn</td>
<td>Forrest, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Markus, Mrs Louise Elizabeth</td>
<td>Macquarie, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Marles, The Hon. Richard Donald</td>
<td>Corio, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Matheson, Mr Russell Glenn</td>
<td>Macarthur, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>McCormack, The Hon. Michael Francis</td>
<td>Riverina, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>McGowan, Ms Catherine AO</td>
<td>Indi, VIC</td>
<td>IND.</td>
</tr>
<tr>
<td>McNamara, Mrs Karen Jane</td>
<td>Dobell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Mitchell, Mr Robert George</td>
<td>McEwen, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Morrison, The Hon. Scott John</td>
<td>Cook, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Neumann, The Hon. Shayne Kenneth</td>
<td>Blair, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Nikolic, Mr Andrew Alexander AM, CSC</td>
<td>Bass, TAS</td>
<td>LP</td>
</tr>
<tr>
<td>O'Connor, The Hon. Brendan Patrick John</td>
<td>Gorton, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>O'Dowd, Mr Kenneth Desmond</td>
<td>Flynn, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------</td>
<td>-------</td>
</tr>
<tr>
<td>O’Dwyer, Ms Kelly Megan</td>
<td>Higgins, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>O’Neil, Ms Clare Ellen</td>
<td>Hotham, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Owens, Ms Julie</td>
<td>Parramatta, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Palmer, Mr Clive Federick</td>
<td>Fairfax QLD</td>
<td>PUP</td>
</tr>
<tr>
<td>Parke, The Hon. Melissa</td>
<td>Fremantle, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Pasin, Mr Antony</td>
<td>Barker, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Perrett, Mr Graham Douglas</td>
<td>Moreton, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Pitt, Mr Keith John</td>
<td>Hinkler, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Plibersek, The Hon. Tanya Joan</td>
<td>Sydney, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Porter, The Hon. Charles Christian</td>
<td>Pearce, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Prentice, Mrs Jane</td>
<td>Ryan, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Price, Ms Melissa Lee</td>
<td>Durack, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Pyne, The Hon. Christopher Maurice</td>
<td>Sturt, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Ramsey, Mr Rowan Eric</td>
<td>Grey, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Randall, Mr Don James</td>
<td>Canning, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Ripoll, The Hon. Bernard Fernado</td>
<td>Oxley, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Rishworth, The Hon. Amanda Louise</td>
<td>Kingston, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Robb, The Hon. Andrew John AO</td>
<td>Goldstein, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Robert, The Hon. Stuart Rowland</td>
<td>Fadden, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Rowland, Ms Michelle Anne</td>
<td>Greenway, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Roy, Mr Wyatt</td>
<td>Longman, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Ruddock, The Hon. Philip Maxwell</td>
<td>Berowra, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Ryan, Ms Joanne Catherine</td>
<td>Lalor, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Scott, The Hon. Bruce Craig</td>
<td>Maranoa, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Scott, Ms Fiona Meryl</td>
<td>Lindsay, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Shorten, The Hon. William Richard</td>
<td>Maribyrnong, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Simpkins, Mr Luke Xavier Linton</td>
<td>Cowan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, The Hon. Anthony David Hawthorn</td>
<td>Lingiari, NT</td>
<td>ALP</td>
</tr>
<tr>
<td>Snowdon, The Hon. Warren Edward</td>
<td>Boothby, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Southcott, Dr Andrew John</td>
<td>Murray, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Stone, The Hon. Dr Sharon Nancy</td>
<td>Gilmore, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Sudmalis, Ms Ann Elizabeth</td>
<td>Deakin, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Sukkar, Mr Michael</td>
<td>Lilley, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Swan, The Hon. Wayne Maxwell</td>
<td>Hume, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Taylor, Mr Angus James</td>
<td>Wannon, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Tehan, Mr Daniel Thomas (Dan)</td>
<td>Kingsford Smith, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Thistlethwaite, Mr Matthew James</td>
<td>Wills, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Thomson, The Hon. Kelvin John</td>
<td>Wide Bay, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Truss, The Hon. Warren Errol</td>
<td>Aston, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Tudge, The Hon. Alan Edward</td>
<td>Wentworth, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Turnbull, The Hon. Malcolm Bligh</td>
<td>Calwell, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Vamvakinou, Ms Maria</td>
<td>Forde, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>van Manen, Mr Albertus Johannes</td>
<td>Barton, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Varvaris, Mr Nickolas</td>
<td>Bonner, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Vasta, Mr Ross Xavier</td>
<td>Gellibrand, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Watts, Mr Timothy Graham</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whiteley, Mr Brett David</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wicks, Mrs Lucy Elizabeth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------</td>
<td>----------</td>
</tr>
<tr>
<td>Wilkie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
<td>IND.</td>
</tr>
<tr>
<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Wilson, Mr Richard James</td>
<td>O'Connor, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Wyatt, Mr Kenneth George AM</td>
<td>Hasluck, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
<td>ALP</td>
</tr>
</tbody>
</table>

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

**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon. Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for Women</em></td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon. Josh Frydenberg MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon. Alan Tudge MP</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon. Warren Truss MP</td>
</tr>
<tr>
<td><em>(Deputy Prime Minister)</em></td>
<td>The Hon. Jamie Briggs MP</td>
</tr>
<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon. Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon. Andrew Robb AO MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>Senator the Hon. Brett Mason</td>
</tr>
<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td><em>(Leader of the Government in the Senate)</em></td>
<td>The Hon. Luke Hartsuyker MP</td>
</tr>
<tr>
<td><strong>Attorney-General</strong></td>
<td>The Hon. Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon. George Brandis QC</td>
</tr>
<tr>
<td><em>(Vice-President of the Executive Council)</em></td>
<td>Senator the Hon. George Brandis QC</td>
</tr>
<tr>
<td><em>(Deputy Leader of the Government in the Senate)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon. Joe Hockey MP</td>
</tr>
<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon. Bruce Billson MP</td>
</tr>
<tr>
<td><strong>Acting Assistant Treasurer</strong></td>
<td>Senator the Hon. Mathias Corman</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon. Steven Ciobo MP</td>
</tr>
<tr>
<td><strong>Minister for Agriculture</strong></td>
<td>The Hon. Barnaby Joyce MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Agriculture</strong></td>
<td>Senator the Hon. Richard Colbeck</td>
</tr>
<tr>
<td><strong>Minister for Education</strong></td>
<td>The Hon. Christopher Pyne MP</td>
</tr>
<tr>
<td><em>(Leader of the House)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Assistant Minister for Education</strong></td>
<td>The Hon. Sussan Ley MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Education</strong></td>
<td>Senator the Hon. Scott Ryan</td>
</tr>
<tr>
<td><strong>Minister for Industry</strong></td>
<td>The Hon. Ian Macfarlane MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Industry</strong></td>
<td>The Hon. Bob Baldwin MP</td>
</tr>
<tr>
<td><strong>Minister for Social Services</strong></td>
<td>The Hon. Kevin Andrews MP</td>
</tr>
<tr>
<td><strong>Assistant Minister for Social Services</strong></td>
<td>Senator the Hon. Mitch Fifield</td>
</tr>
<tr>
<td><em>(Manager of Government Business in the Senate)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Human Services</strong></td>
<td>Senator the Hon. Marise Payne</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Social Services</strong></td>
<td>Senator the Hon. Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td><strong>Minister for Communications</strong></td>
<td>The Hon. Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Communications</strong></td>
<td>The Hon. Paul Fletcher MP</td>
</tr>
<tr>
<td><strong>Minister for Health</strong></td>
<td>The Hon. Peter Dutton MP</td>
</tr>
<tr>
<td><strong>Minister for Sport</strong></td>
<td>The Hon. Peter Dutton MP</td>
</tr>
<tr>
<td><strong>Assistant Minister for Health</strong></td>
<td>Senator the Hon. Fiona Nash</td>
</tr>
<tr>
<td>Title</td>
<td>Minister</td>
</tr>
<tr>
<td>------------------------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Minister for Defence</strong></td>
<td>Senator the Hon. David Johnston</td>
</tr>
<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>ANZAC</td>
<td></td>
</tr>
<tr>
<td>Assistant Minister for Defence</td>
<td>The Hon. Stuart Robert MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Darren Chester MP</td>
</tr>
<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon. Greg Hunt MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>Senator the Hon. Simon Birmingham</td>
</tr>
<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon. Scott Morrison MP</td>
</tr>
<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon. Mathias Cormann</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Finance</td>
<td>The Hon. Michael McCormack MP</td>
</tr>
</tbody>
</table>

Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leader of the Opposition</strong></td>
<td><strong>Hon Bill Shorten MP</strong></td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Small Business</td>
<td>Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon Jacinta Collins</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td></td>
</tr>
<tr>
<td><strong>Deputy Leader of the Opposition</strong></td>
<td><strong>Hon Tanya Plibersek MP</strong></td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs and International</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Women</td>
<td>Senator Claire Moore</td>
</tr>
<tr>
<td>Manager of Opposition Business (Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for the Centenary of ANZAC</td>
<td>Senator the Hon Don Farrell</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
<td>Hon Matt Thistlethwaite MP</td>
</tr>
<tr>
<td><strong>Leader of the Opposition in the Senate</strong></td>
<td>Senator the Hon Penny Wong</td>
</tr>
<tr>
<td>Shadow Minister for Trade and Investment</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Trade and Investment</td>
<td>Dr Jim Chalmers MP</td>
</tr>
<tr>
<td><strong>Deputy Leader of the Opposition in the Senate</strong></td>
<td>Senator the Hon Stephen Conroy</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td></td>
</tr>
<tr>
<td>Shadow Assistant Minister for Defence</td>
<td>Hon David Feeney MP</td>
</tr>
<tr>
<td>Shadow Minister for Veterans’ Affairs</td>
<td>Senator the Hon Don Farrell</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence</td>
<td>Gai Brodtmann MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Infrastructure and Transport</strong></td>
<td><strong>Hon Anthony Albanese MP</strong></td>
</tr>
<tr>
<td><strong>Shadow Minister for Tourism</strong></td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Regional Development and Local</td>
<td>Hon Julie Collins MP</td>
</tr>
<tr>
<td>Government</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Development</td>
<td>Allanah MacTiernan MP</td>
</tr>
<tr>
<td>and Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Western Australia</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for External Territories</td>
<td>Hon Warren Snowdon MP</td>
</tr>
<tr>
<td><strong>Shadow Treasurer</strong></td>
<td><strong>Hon Chris Bowen MP</strong></td>
</tr>
<tr>
<td>Shadow Assistant Treasurer</td>
<td>Hon Dr Andrew Leigh MP</td>
</tr>
<tr>
<td>Shadow Minister for Competition</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Financial Services and Superannuation</td>
<td>Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Shadow Treasurer</td>
<td>Hon Ed Husic MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Finance</strong></td>
<td><strong>Hon Tony Burke MP</strong></td>
</tr>
<tr>
<td>Manager of Opposition Business (House)</td>
<td></td>
</tr>
<tr>
<td><strong>Shadow Minister for Environment, Climate Change and Water</strong></td>
<td><strong>Hon Mark Butler MP</strong></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Environment, Climate</td>
<td>Senator Louise Pratt</td>
</tr>
<tr>
<td>Change and Water</td>
<td></td>
</tr>
<tr>
<td><strong>Shadow Minister for Higher Education, Research, Innovation</strong></td>
<td><strong>Senator the Hon Kim Carr</strong></td>
</tr>
<tr>
<td>Shadow Minister for Vocational Education</td>
<td>Hon Sharon Bird MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Manufacturing</td>
<td>Tony Zappia MP</td>
</tr>
<tr>
<td>Title</td>
<td>Shadow Minister</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>------------------------------------------------------</td>
</tr>
<tr>
<td>Shadow Minister for Communications</td>
<td>Hon Jason Clare MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Communications</td>
<td>Michelle Rowland MP</td>
</tr>
<tr>
<td>Shadow Attorney General</td>
<td>Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Shadow Minister for the Arts</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Justice</td>
<td>Hon David Feeney MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Shadow Attorney General</td>
<td>Senator the Hon Lisa Singh</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Arts</td>
<td>Hon Michael Danby MP</td>
</tr>
<tr>
<td>Shadow Minister for Education</td>
<td>Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Shadow Minister for Early Childhood</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Education</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture</td>
<td>Hon Joel Fitzgibbon MP</td>
</tr>
<tr>
<td>Shadow Minister for Resources</td>
<td>Hon Gary Gray AO MP</td>
</tr>
<tr>
<td>Shadow Minister for Northern Australia</td>
<td></td>
</tr>
<tr>
<td>Shadow Special Minister of State</td>
<td>Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern Australia</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Health</td>
<td>Hon Catherine King MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Health</td>
<td>Stephen Jones MP</td>
</tr>
<tr>
<td>Shadow Minister for Mental Health</td>
<td>Senator Hon Jan McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Sport</td>
<td>Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Health</td>
<td>Hon Amanda Rishworth MP</td>
</tr>
<tr>
<td>Shadow Minister for Families and Payments</td>
<td>Hon Jenny Macklin MP</td>
</tr>
<tr>
<td>Shadow Minister for Disability Reform</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Human Services</td>
<td>Senator the Hon Doug Cameron</td>
</tr>
<tr>
<td>Shadow Minister for Housing and Homelessness</td>
<td>Senator the Hon Jan McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Carers</td>
<td>Senator Claire Moore</td>
</tr>
<tr>
<td>Shadow Minister for Communities</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Families and Payments</td>
<td>Senator Carol Brown</td>
</tr>
<tr>
<td>Shadow Minister for Immigration and Border Protection</td>
<td>Hon Richard Marles MP</td>
</tr>
<tr>
<td>Shadow Minister for Citizenship and Multiculturalism</td>
<td>Michelle Rowland MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Hon Matt Thistlethwaite MP</td>
</tr>
<tr>
<td>Shadow Minister for Indigenous Affairs</td>
<td>Hon Shayne Neumann MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Indigenous Affairs</td>
<td>Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Aged Care</td>
<td>Senator Helen Polley</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Hon Brendan O’Connor MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment Services</td>
<td>Hon Julie Collins MP</td>
</tr>
</tbody>
</table>
## CONTENTS

**TUESDAY, 17 JUNE 2014**

**Chamber**  
**BILLS**—
- Offshore Petroleum and Greenhouse Gas Storage Amendment (Regulatory Powers and Other Measures) Bill 2014—  
- Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2014—  
  - Second Reading.................................................................................................................. 6159  
  - Third Reading.............................................................................................................. 6165  
- Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2014—  
  - Second Reading.................................................................................................................. 6165  
  - Third Reading.............................................................................................................. 6166  
- Australian Workforce and Productivity Agency Repeal Bill 2014—  
  - Second Reading.............................................................................................................. 6166  

**STATEMENTS BY MEMBERS**—
- Budget.......................................................................................................................... 6180  
- Lindsay Electorate: Cambridge Park High School.......................................................... 6180  
- Budget.......................................................................................................................... 6181  
- Mallee Electorate: Leadership....................................................................................... 6181  
- Newcastle Electorate: Health Care.............................................................................. 6182  
- Chinese Australian Services Society........................................................................... 6182  
- Budget.......................................................................................................................... 6183  
- Ruffles, Miss Holly........................................................................................................ 6183  
- Budget.......................................................................................................................... 6183  
- Hinkler Electorate: Acorn Childcare Centre ................................................................. 6184  
- Budget.......................................................................................................................... 6184  
- Australian Navy Cadets............................................................................................... 6185  
- Budget.......................................................................................................................... 6185  
- Royal Military College............................................................................................... 6186  
- Budget.......................................................................................................................... 6186  
- Barton Electorate: Chinese Market Gardens.............................................................. 6187  
- Budget.......................................................................................................................... 6187  
- Agriculture.................................................................................................................... 6187  
- Budget.......................................................................................................................... 6188  
- Capricornia Electorate: Surf Lifesaving....................................................................... 6188  

**QUESTIONS WITHOUT NOTICE**—
- Budget.......................................................................................................................... 6189  
- Budget.......................................................................................................................... 6190  
- Budget.......................................................................................................................... 6190  
- Carbon Pricing............................................................................................................. 6191  
- Age Pension................................................................................................................... 6192  
- Budget.......................................................................................................................... 6192  
- Immigration Policy....................................................................................................... 6193
CONTENTS—continued

Budget .................................................................................................................. 6194
Rail Infrastructure ................................................................................................. 6195
Budget .................................................................................................................. 6196
Foreign Affairs ....................................................................................................... 6197
Budget .................................................................................................................. 6198
Higher Education ................................................................................................... 6198
Budget .................................................................................................................. 6200
Budget .................................................................................................................. 6200
DISTINGUISHED VISITORS ............................................................................... 6201
QUESTIONS WITHOUT NOTICE—
  Paid Parental Leave Scheme .............................................................................. 6201
  Carbon Pricing ...................................................................................................... 6202
  Fuel Excise ............................................................................................................ 6203
  Carbon Pricing ...................................................................................................... 6204
  Budget .................................................................................................................. 6204
  Medicare ................................................................................................................. 6205
  Budget .................................................................................................................. 6206
  Broadband .............................................................................................................. 6206
  Budget .................................................................................................................. 6207
  Defence .................................................................................................................. 6209
PERSONAL EXPLANATIONS .............................................................................. 6210
MOTIONS—
  Iraq ....................................................................................................................... 6210
AUDITOR-GENERAL'S REPORTS—
  Report No. 41 of 2013-14 .................................................................................. 6215
COMMITTEES—
  Joint Select Committee on Northern Australia—
    Membership ........................................................................................................ 6215
DOCUMENTS—
  Presentation .......................................................................................................... 6215
MATTERS OF PUBLIC IMPORTANCE—
  Budget .................................................................................................................. 6215
BILLS—
  Australian Workforce and Productivity Agency Repeal Bill 2014—
    Second Reading.................................................................................................. 6231
    Third Reading.................................................................................................... 6241
  Business Services Wage Assessment Tool Payment Scheme Bill 2014—
    Second Reading.................................................................................................. 6241
    Third Reading.................................................................................................... 6254
  Business Services Wage Assessment Tool Payment Scheme (Consequential
    Amendments) Bill 2014—
    Second Reading.................................................................................................. 6241
    Third Reading.................................................................................................... 6254
  Business Services Wage Assessment Tool Payment Scheme (Consequential
    Amendments) Bill 2014—
    Second Reading.................................................................................................. 6254
    Third Reading.................................................................................................... 6255
CONTENTS—continued

Family Assistance Legislation Amendment (Child Care Measures) Bill 2014—Second Reading.......................................................... 6255
Tax Laws Amendment (Temporary Budget Repair Levy) Bill 2014—
Income Tax Rates Amendment (Temporary Budget Repair Levy) Bill 2014—
Family Trust Distribution Tax (Primary Liability) Amendment (Temporary Budget
Repair Levy) Bill 2014—
Fringe Benefits Tax Amendment (Temporary Budget Repair Levy) Bill 2014—
Income Tax (Bearer Debentures) Amendment (Temporary Budget Repair Levy) Bill 2014—
Income Tax (First Home Saver Accounts Misuse Tax) Amendment (Temporary
Budget Repair Levy) Bill 2014—
Income Tax (TFN Withholding Tax (ESS)) Amendment (Temporary Budget Repair
Levy) Bill 2014—
Superannuation (Departing Australia Superannuation Payments Tax) Amendment
(Temporary Budget Repair Levy) Bill 2014—
Superannuation (Excess Non-concessional Contributions Tax) Amendment
(Temporary Budget Repair Levy) Bill 2014—
Superannuation (Excess Untaxed Roll-over Amounts Tax) Amendment (Temporary
Budget Repair Levy) Bill 2014—
Taxation (Trustee Beneficiary Non-disclosure Tax) (No. 1) Amendment (Temporary
Budget Repair Levy) Bill 2014—
Taxation (Trustee Beneficiary Non-disclosure Tax) (No. 2) Amendment (Temporary
Budget Repair Levy) Bill 2014—
Tax Laws Amendment (Interest on Non-Resident Trust Distributions) (Temporary
Budget Repair Levy) Bill 2014—
Tax Laws Amendment (Untainting Tax) (Temporary Budget Repair Levy) Bill 2014—
Trust Recoupment Tax Amendment (Temporary Budget Repair Levy) Bill 2014—
Returned from Senate............................................................. 6289

ADJOURNMENT—
Tasmanian Wilderness World Heritage Area........................................ 6290
Scientific Research........................................................................ 6291
Women in Science and Research...................................................... 6292
Live Animal Exports ................................................................. 6293
World Heritage Areas .................................................................. 6294
Indigenous Eye Health .................................................................. 6296

NOTICES..................................................................................... 6297

Federation Chamber

CONSTITUENCY STATEMENTS—
Zines, Professor Leslie Ronald, AO .................................................. 6299
National General Assembly of Local Government .......................... 6299
Throsby Electorate: Budget.............................................................. 6300
Forde Electorate: Sporting Community ............................................. 6301
Gellibrand Electorate: Victoria University........................................ 6302
Men's Sheds................................................................................. 6303

CHAMBER
CONTENTS — continued

Mortimer, Mr Charles 'Charlie' .......................................................... 6304
Tangney Electorate: Roe Highway Stage 8 ............................................. 6304
Budget ...................................................................................................... 6305
Lindsay Electorate: Queen's Birthday Honours ........................................ 6306

BILLS—
 appropriation Bill (No. 1) 2014-2015 —
 consideration in detail ................................................................. 6307

Questions In Writing
 Sydney (Kingsford Smith) Airport: Residential Development under Flight Paths—
 (Question No. 162) .................................................................................. 6392
Tuesday, 17 June 2014

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

BILLS

Offshore Petroleum and Greenhouse Gas Storage Amendment (Regulatory Powers and Other Measures) Bill 2014

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2014

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr PERRETT (Moreton) (12:01): I rise to speak on the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2014, which amends provisions in the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003. I know for a fact that this is one of the most eagerly anticipated pieces of legislation to be considered by the 44th Parliament.

Appropriate cost recovery by both the National Offshore Petroleum Safety and Environmental Management Authority and the National Offshore Petroleum Titles Administrator is critical to ensuring that these entities are resourced in order to effectively administer the offshore petroleum regime, an area that has brought so much wealth to Australia over the last 30 or 40 years. NOPSEMA was established by the former Labor government on 1 January 2012 as Australia’s first national independent regulator for (1) health and safety, (2) well integrity and (3) environmental management for offshore oil and gas operations. NOPTA was also established by the former Labor government on 1 January 2012. It administers titles, undertakes data and resource management and provides technical advice to the joint authority.

This bill before the chamber ensures the commencement of amendments to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 that were put in place by the former Labor government. The amendments seek to clarify and strengthen the compliance monitoring, investigation and enforcement powers of the National Offshore Petroleum Regulator and to ensure that enforcement measures for contraventions of the act are appropriate in application and severity in the context of a high-hazard industry, which is obviously the case when you are dealing with oceans and petroleum substances. We do not have to cast our minds back very far at all to find that there have been fatalities in Australian waters and as well as international waters.

These amendments continue the work of Labor to implement the lessons learnt and agreed in response to the report of the Montara Commission of Inquiry. On 21 August 2009 uncontrolled oil and gas were released at the Montara oilfield. Furthermore, there was an incident on 20 April 2010 at the BP operated Macondo oilfield in the Gulf of Mexico, which
tragically saw the loss of 11 lives. These incidents serve as a strong reminder to governments, regulators, the offshore petroleum industry and the broader community that there are risks, particularly if we are complacent about the operation and regulation of offshore petroleum activities.

Labor is committed to doing everything possible to avoid incidents like the leak of oil and gas from the Montara Well Head Platform in the future. The former Labor government worked to ensure that we achieved the best and safest offshore petroleum industry in the world. Obviously safety has costs associated with it, but if it prevents fatalities and environmental damage then it is money well spent.

This bill ensures the commencement of amendments to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 that we put in place. I would point out that there are great environmental opportunities, particularly in places like Bass Strait and other depleted fields where perhaps in the future we will be able to store greenhouse gases safely to contribute to combating dangerous climate change. Industry, government and regulators must be absolutely committed to a culture of high safety standards and environmental protection within a framework of continuous improvement. We must work and learn together. Applying the lessons from the incidents that I have mentioned is vital for the effective regulation of the offshore petroleum industry and its ongoing licence to operate, both in a legal sense and in a social sense.

The amendments seek to clarify and strengthen the compliance monitoring, investigation and enforcement powers of the National Offshore Petroleum Regulator and to ensure that enforcement measures for contraventions of the act are appropriate in application and severity in the context of what is of course a high-hazard industry. It continues the work of Labor to implement the lessons learnt and agreed in response to the report of the Montara Commission of Inquiry.

The first major initiative towards a national occupational health and safety policy came in 1985 with the establishment of the National Occupational Health and Safety Commission, a tripartite body comprising representatives of the Australian federal, state and territory governments and of employers and trade unions—three entities working together. The NOHSC’s powers were quite limited, being largely concerned with promoting occupational health and safety awareness and debate and providing a national focus and a forum for OH&S policies and strategies. Today Australia has some of the best occupational health and safety standards in the world. But we have also learnt that we must recognise that offshore regulations are implemented in a growing globalised world where capital is being sought by other countries with oilfields. The jobs and prosperity that flow from Australia’s offshore petroleum industry, which has made a nearly $28 billion contribution to the Australian economy, are vital for our economy and energy security in the future. But this cannot come at the expense of the protection of human health and safety or the marine environment.

The National Offshore Petroleum Safety and Environmental Management Authority was established in 2005 for the regulation, and health and safety, of the offshore industry around Australia. It was established as a jointly administered authority required to report to the Australian government, and all state and territory ministers were responsible for the offshore petroleum industry and the Ministerial Council on Mineral and Petroleum Resources. In 2009 the Productivity Commission considered the complexity of the regulatory burden of approvals
and reporting on the offshore petroleum industry and recommended that there be a single national regulator for Australian waters. I also point out that there are slow steps being taken onshore to achieve a similar efficiency, without lowering standards everywhere. Obviously, as a Queenslander, I always push for our mining industry's standards and think they should be rolled out around Australia, but I am sure other members of parliament will have their own views.

Whilst the Productivity Commission report was being considered, the Montara oil leak and wellhead platform fire occurred. A subsequent inquiry concluded that the operator of this facility did not observe sensible oilfield practices and that there were major shortcomings in systems, processes, communications, risk management and contractor management. These problems were widespread and systemic and they directly led to the blow-out. Obviously there is 20/20 vision with hindsight.

The environmental management authority will present its own challenges. There has always been a focus on trying to prevent environmental incidents, and the role of NOPSEMA is to strengthen that focus by actively managing incidents if they occur and ensuring that robust monitoring is in place to assess the environmental impacts of such incidents and the background impacts of general operations.

Obviously this industry does have some hazards. It is changing. It is catching up with the world. I would like to particularly mention one of my constituents, a young engineer who I follow on Twitter and who has given me some insights into life on an offshore oil rig: Yassmin Abdel-Magied. She is a young Muslim lady who is an engineer out on the oil rigs. It just shows you how much Australia has changed in the last 20 or 30 years of this industry. I commend the amendment bills to the House.

Mr ZAPPIA (Makin) (12:10): I take the opportunity to speak briefly on these two pieces of legislation. The Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2014 amends provisions in the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003. Amongst these changes the National Offshore Petroleum Titles Administrator is able to fully cost-recover its activities. The changes also enable an applicant, as opposed to a titleholder, to submit an environmental plan or a revision of an environmental plan, the intent of that being to reduce environmental approval times for offshore projects.

The Offshore Petroleum and Greenhouse Gas Storage Amendment (Regulatory Powers and Other Measures) Bill 2014 makes technical amendments which aim to strengthen the offshore petroleum regulatory regime in respect to monitoring, compliance, inspection and enforcement of objectives, which resulted from the Montara Commission of Inquiry. It is important that NOPSEMA and NOPTA are adequately resourced in order to carry out their responsibilities. As the member for Moreton quite rightly pointed out, we have an obligation and a responsibility to ensure the protection of both the people who work on these sites and the environment surrounding them. Cost-recovery of activities is indeed appropriate, as is ensuring that the responsible agencies have adequate powers and that penalties are sufficient to act as deterrents. There are, however, some matters that I wish to raise with respect to the practices and decisions made by the Abbott government relating to offshore mineral, oil and gas exploration and mining operations.
There is considerable interest in Australia's offshore oil and gas reserves. In particular, gas reserves are attracting a huge amount of interest from around the world. It appears that gas is replacing oil, and fracking is opening up new opportunities for gas projects. All mining operations, both onshore and offshore, have environmental risks attached to them. Those risks have to be managed. It is, however, more difficult to manage the risks associated with offshore projects, particularly when something goes wrong, and we have seen that with respect to some of the incidents around the world. When something does go wrong—as was the case with the Montara oil spill, or as we still see with the Fukushima nuclear plant incident in Japan or the BP spill in the Gulf of Mexico in 2010—those incidents come at considerable economic and environmental cost. In the case of some of those incidents, my understanding is that damage is still being caused as a result of what happened some time ago. So managing those risks becomes truly a challenge. I want to put that into context with respect to the environment. Those risks are only one part of the risks that are currently being faced by our ocean waters.

Right now the ocean is at serious risk as a result of climate change. I for one accept the science and the facts related to climate change. Climate change means that the earth is heating up and that there is more carbon dioxide in the atmosphere. The reality is that most of the CO$_2$ is being absorbed by the oceans, as is most of the heat that is in the atmosphere. So the rising temperatures that we are seeing on the ground are also occurring within the ocean environment. As a member of the House Standing Committee on the Environment, I have heard much evidence about the rising water temperatures and the rising levels of carbon dioxide. On top of that, extreme weather events, such as typhoons, hurricanes and the like, also affect the ocean environment. When you add those risks to the risks associated with the kinds of activities we are talking about—mineral, oil and gas exploration—the risks compound. Each risk in isolation can perhaps be dismissed as trivial, but, when you combine them, the impacts are multiplied many times over.

Mining activities which disturb the seabed and/or pollute the waters around the sites of those operations can have serious environmental risks, so they have to be managed—and managed well. Whilst this legislation relates to some of the agencies tasked with managing our environment and regulating mineral, gas and oil exploration permits in our waters, the reality is that the risks are very serious and difficult to manage.

Australia is blessed with minerals, gas and oil. We therefore attract interest from developers and mining companies from around the world. Indeed, international investors and transnational companies are behind most of our largest offshore mining operations. A concern I have with respect to these operations relates to the Abbott government's decision to remove the market-testing requirement for 457 visa entrants to this country. That decision effectively enables operators of gas and oil exploration sites to bring labour in from other countries—in fact, to employ their own labour. That was an easing of a restriction that the previous government—in fact it was the member for Gorton, who I notice is here in the chamber—brought in to ensure that we employ Australian labour, if available, ahead of international labour.

There is a second aspect to employing Australian labour on these sites. It relates to the management of the environment. I believe not only that Australian workers have the relevant knowledge and experience but that, more importantly, they have national pride. They would
therefore work to ensure that these projects are operated consistently with the standards we expect. I cannot say that about the foreign workers who come in and work on these sites. My concern about the environmental risks attached to operations at these sites is magnified when the projects are being resourced, run and worked by people from other countries, people who do not necessarily have Australia's interests at heart. That is one of my concerns.

Another concern I have is that only last week we saw a reversal by this government of Labor's decision to reinstate Australian sea waters within the Australian migration zone. By excluding Australian coastal waters from Australia's migration zone, it increases the likelihood that the operators of these projects—who, as I said earlier, are often international operators—will want to employ their own staff and, in doing so, bring people in from other parts of the world. So we have now seen the Abbott government change two critical policies, with the likely result that these projects will increasingly recruit people from other countries. That to me raises concerns, because the risks attached to these sites—both environmental risks and risks to safety procedures—are very high. I would have much more faith if Australian workers were on these sites rather than foreign workers.

I understand that we are seeing that right now at the Ichthys project in north-west Western Australia. Foreign vessels with foreign crews are being brought in to lay the pipeline to Darwin. Apart from the fact that I have no doubt that the work could have been carried out by Australian vessels and Australian crews, I believe that it is in our national interest to make sure that those projects are conducted in a way that complies with our laws. I believe the best way to do that is, where possible, to have Australians carrying out the work.

The environmental track record of this government since coming to office has been woeful. We also know, from the track record of offshore mining operations, that they do present risks—and that, when problems occur, the implications can be very serious. Also of concern is that, in comparison to projects on land, offshore projects are much harder to monitor. Effectively, they are out of sight and out of mind. That, however, does not mean that the environment is not being damaged, it does not mean that things are not going wrong and it does not mean that we should put our trust in the operators of those ventures.

These regulations certainly allow the agencies tasked with carrying out monitoring to do so more effectively and to recoup the expenditures they incur in doing their work. I have no problems with that. But the matters I have raised are matters we should take very seriously. Whilst the legislation is well intended—and I support the legislation—I have raised these matters because on one hand we are bringing in legislation to try to protect our workers and the environment, but on the other hand we are bringing in policies that I believe do the exact opposite. With those comments, I commend the legislation to the House.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (12:22):
Madam Deputy Speaker—

The SPEAKER: No, 'Speaker'.

Mr BALDWIN: I am sorry, Madam Speaker—old habits die hard. I apologise sincerely. Madam Deputy Speaker, I rise—

Honourable members interjecting—

The SPEAKER: You can't be that intimidated!
Mr BALDWIN: I do not doubt your ability there, Madam Speaker. Madam Speaker, I rise to sum up on the Offshore Petroleum and Greenhouse Gas Storage Amendment (Regulatory Powers and Other Measures) Bill 2014. The Australian government is committed to providing a strong, effective and properly resourced offshore petroleum regulatory regime to safeguard human health and safety, as well as the Australian marine environment. In line with this commitment, the Offshore Petroleum and Greenhouse Gas Storage Amendment (Regulatory Powers and Other Measures) Bill 2014 proposes amendments to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to strengthen the offshore petroleum regulatory regime in respect of compliance, safety, integrity and environmental management objectives.

These objectives will be achieved by ensuring the commencement of important measures to clarify and strengthen compliance, monitoring, investigation and enforcement powers of the national offshore petroleum regulator, the National Offshore Petroleum Safety and Environmental Management Authority, and adjust enforcement measures for contravention of the act to ensure they are appropriate in application and severity in the context of a high-hazard industry.

Amendments made by this bill will ensure that the relevant standard provisions contained in the proposed Regulatory Powers (Standard Provisions) Act 2014, which is currently also being considered by parliament, are triggered for use in the offshore petroleum regulatory regime. Use of these standard provisions is testament to this government's continued commitment to reducing unnecessary regulation and avoiding duplication of legislation by negating the need to include those provisions in the OPGGS Act itself. These combined measures strike a balance between minimising regulatory burden and maintaining this government's commitment to appropriate regulatory oversight for safety and environmental matters.

I wish to thank the members for Brand, Mitchell, Moreton and Makin for their contributions to the debate, and I note that this bill has the support of both sides of the House. This industry is an extremely hazardous industry that requires absolute commitment from industry, from the workers and from government to ensure safeguards for the people who work in the offshore oil industry. When I filled my current role in the previous Howard government, under Minister Macfarlane, I had the opportunity to go out onto the Stag platform and see first hand the issues involved in the offshore oil and gas industry. Safety is paramount. I agree with the comments by the member for Brand, who said yesterday:

It is a dangerous industry. It is an industry marked by great capability and great risk.

He went on further:

Work on the offshore hydrocarbons environment is important for our country. It is important for the economy. But it is not so important that it should bring with it unacceptable risk to the environment or to the health of our workers.

I know that Minister Macfarlane, who has asked me to introduce this bill and then to sum up for him, is as committed today as he was when the original bills were introduced in 2006 to ensuring the safety of Australian workers. That is paramount for this government and I am glad that we have the support of the opposition.

I do take objection to one of the comments by the member for Makin, who said that the coalition, as a government, had an appalling track record in this industry. I point out to him
two disasters that have occurred. The Montara disaster occurred in August 2009, and if my memory serves me correctly Labor were in power in 2009. The Stena Clyde incident, which cost Australian lives, occurred in 2012—again, if my memory serves me correctly, Labor were in power in 2012.

But this is not about playing the blame game—this is about addressing the issues and making sure that compliance and health and safety are paramount. I congratulate the member for Brand on his comments. He was a standout minister, along with Martin Ferguson—as, indeed, was Minister Macfarlane in his previous term. They had the attitude and took the actions to make sure that safety measures in the offshore gas and oil industry had bipartisan support. There was not a hair between us in making sure that we supported actions to preserve life in this industry. We remain committed to continuing the improvement of the offshore petroleum and greenhouse gas storage regulatory regime. In line with this commitment, the government intends to bring forward further measures currently under consideration and development for progression in late 2014. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (12:29):
by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2014

Second Reading

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

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (12:29):
I rise to sum up the debate on the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2014. Again, I thank the speakers who have contributed to the debate—the members for Brand, Mitchell, Moreton and Makin—for their contributions.


The National Offshore Petroleum Titles Administrator, NOPTA, and the National Offshore Petroleum Safety and Environmental Management Authority, NOPSEMA, are both funded on a cost-recovery basis and perform important functions in Australia's offshore petroleum regulatory regime. NOPTA assists and advises the joint authority and the responsible Commonwealth minister on titles administration matters. NOPSEMA regulates safety and environmental matters.
Amendments in this bill ensure appropriate resourcing by making necessary adjustments to the levy arrangements. Firstly, it provides that NOPTA has the ability to collect a full-year annual titles administration levy for titles in force for less than one year. Its equity is ensured by the insertion of a regulation-making power, in a consequential amendment in the amendment bill to the Offshore Petroleum and Greenhouse Gas Storage Act 2006, to allow for the refund or remittal of part of that levy as appropriate.

Further amendments in this bill extend NOPSEMA’s ability to collect a levy for the submission and revision of environmental plans and related ongoing compliance activities. This is directly related to recent regulatory reform allowing an applicant for a title, as opposed to a titleholder, to submit an environmental plan to NOPSEMA for certain activities, delivering a more streamlined and efficient process. Such measures demonstrate this government’s commitment to streamlining and reducing regulatory burden through the principles of efficiency and fairness while maintaining a high-level commitment to environmental and safety matters.

Appropriate cost recovery by both NOPTA and NOPSEMA is critical to ensure these entities are resourced effectively to administer the offshore petroleum regime in the context of a high-hazard industry. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (12:32): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a second time.

Australian Workforce and Productivity Agency Repeal Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms BIRD (Cunningham) (12:33): I rise to speak on the Australian Workforce and Productivity Agency Repeal Bill 2014. This bill seeks to abolish the Australian Workplace and Productivity Agency, commonly known as AWPA. In his speech on 4 June 2014, the minister took just two minutes to abolish AWPA—to disband our key national policy and research body on skills—while we have jobs being lost across the country.

The opposition will not be voting against the bill; however, we do feel it is important to move an amendment to recognise the importance of the work done by AWPA and the need to preserve this in the new arrangements. Therefore, I move:

"whilst not declining to give the Bill a second reading the House notes that the Government has failed to guarantee that the critical independent research to Government and industry in relation to Australia's current, emerging and future skills and workforce development needs will continue to be carried out and made public."

CHAMBER
To put the government's decision to abolish AWPA into context, it is important to understand the history of AWPA. In government, Labor made a record investment of over $19 billion in skills and training for smarter jobs and a stronger nation. The Rudd Labor government established Skills Australia in 2008 as part of the Labor government's Skilling Australia for the Future policy.

Skills Australia was an independent statutory body set up to provide advice to the then Minister for Tertiary Education, Skills, Science and Research on Australia's current, emerging and future workforce needs and, in line with that, our workforce development needs. Skills Australia's advice covered a broad range of areas including migration, the resources sector, the defence industry, the tertiary education system and the effective use of skills in the workplace. The then Labor government sought to ensure that the government's investment in education and training was focused on providing a highly skilled workforce, increasing participation, increasing access to the workforce by less advantaged groups and producing a workforce that met the needs of industry and increased Australia's productivity.

In 2012, the Labor government expanded the role of Skills Australia and transformed that organisation into AWPA. AWPA was established to provide advice on a broad range of areas that affected the demand, supply and use of skills and was also responsible for providing strategic advice and recommendations for priorities for the Labor government's National Workforce Development Fund—which, I am very sad to say, was abolished in the most recent budget. AWPA liaised directly with industry to provide expert, independent advice to government on current, emerging and future skills and workforce development needs. The AWPA team has been led by its chief executive, Mr Robin Shreeve, and chair, Mr Philip Bullock.

After so much important work, over several years, in the national service it was particularly poor form that the Minister for Industry did not even bother to announce that the government was abolishing AWPA. This was revealed while Mr Robin Shreeve was giving evidence at a Senate inquiry in Sydney on 11 April. A statement by the chair, Mr Bullock, dated 9 April 2014, was subsequently posted on the department's website. The minister also failed to take the opportunity to properly recognise and thank AWPA for the excellent work, good quality analysis and advice, and important strategic direction that it had provided over the past eight years.

Mr Bullock provided significant leadership. He has had more than 25 years of experience working with IBM and he has served on the board of the Australian Information Industry Association; the Business Council of Australia, also chairing their skills and innovation taskforce; the Victorian Schools Innovation Commission; and the advisory committee to the Australian Graduate School of Management. He also provided advice for the Labor government's Education Investment Fund and he serves on the Australia India Education Council. He was appointed as chair of the National VET Equity Advisory Council.

AWPA's Chief Executive Officer, Robin Shreeve, has worked in the skills sector for over 30 years, both here in Australia and in England. He has served as CEO of AWPA, Skills Australia, the North Coast Institute of TAFE and another tertiary institution in Westminster, Central London. He also worked for the Department of Education and Training in New South Wales, finishing there as Deputy Director for Technical, Further and Community Education.
Between them, Robin and Philip have almost sixty years experience in industry and the vocational education and skills sector.

AWPA's board was formed by the following members, who should also be publicly thanked for their service: Peter Anderson, the then CEO of the Australian Chamber of Commerce and Industry; Andrew Dettmer, the National President of the Australian Manufacturing Workers Union; Dr John Edwards, a visiting fellow at the Lowy Institute, an adjunct professor with the John Curtin Institute of Public Policy at Curtin University and a member of the board of the Reserve Bank of Australia; Ged Kearney, the President of the Australian Council of Trade Unions; and Innes Willox, the CEO of the Australian Industry Group. This team harnessed a wealth of experience across academia, education and training, economics, industry and the representation of workers, and drove a massive research and analysis agenda that saw a number of workforce studies in key sectors of the Australian economy completed.

I want to touch on some of these studies to give a sense of the significance of the work that was done by the organisation. The Building Australia's defence supply capabilities: main report for the defence industry workforce strategy was a strategy developed to assist Australia's defence industry to access the skilled workforce it needed to participate in Australian government defence procurement. The Energy efficiency in commercial and residential buildings: jobs and skills implications report found that while there were going to be few new skills requirements in energy efficiencies for buildings, there was a need to update current skills and knowledge. The Food and beverage workforce study put forward recommendations to build an adaptive, skilled and innovative agrifood workforce. The ICT workforce study presented a number of workforce development strategies to increase supply of specialist ICT skills, improve skills development in the ICT workforce and promote the effective utilisation of ICT skills. Most recently, the Manufacturing workforce study—very pertinent to the challenges facing many of our regions today—put forward recommendations to build an adaptive, skilled and innovative manufacturing workforce that would be well-placed to manage the transition to more advanced and diverse manufacturing.

In preparing the Resources sector skills needs report, AWPA commissioned Deloitte Access Economics to develop a comprehensive five-year outlook model to estimate trends in employment growth and occupational supply for the resources sector against three economic growth scenarios to develop a series of recommendations to ensure the sector's workforce is ready and able to meet future demand. A final example that demonstrates the widely encompassing nature of their work is the Retail workforce study, which found industry must shift its recruitment profile towards a larger share of recruits who see retail as a career, and that a more highly skilled workforce, together with strong industry leadership, was critical to a successful transition for this industry. AWPA has also produced important labour market information including the development of the Specialised Occupations List, the Skilled Occupations List and the Consolidated Sponsored Occupations List.

Skills and workforce productivity has been a major focus for AWPA's research. One of AWPA's key projects was the development of the 2016 National Workforce Development Strategy. I remain keen to hear from the minister as to whether the department is going to continue work on this strategy, which is a follow on from the 2013 National Workforce Development Strategy.
Future focus 2013 looked at positioning Australia as a knowledge economy through investing in skills development, targeting planning, lifting productivity, raising labour force participation, improving language, literacy and numeracy, and ensuring quality in the tertiary sector. AWPA also commissioned Deloitte Access Economics to develop high-level economic modelling of skills demand and supply as part of its scenario approach to future workforce development. AWPA also developed and updated key industry snapshots which provided information and analysis on key industries and assisted stakeholders in planning for the future of their industry or sector.

The National Workforce Development Fund was a partnership between industry and government to help industry address current and future workforce development needs. The fund was facilitated through the Industry Skills Councils network and AWPA provided advice on prioritisation, applications of significance and performance of the fund in meeting skills needs. In 2012, AWPA commissioned the National Institute of Labour Studies to conduct research to identify the under and oversupply of qualifications. The project also aimed to develop a methodology and tool for forming an assessment of current and emerging skills needs in Australia in the case of priority occupations or policy relevance.

AWPA has long advocated for demand-driven funding across the tertiary education sector. In Skills for prosperity, AWPA also recommended governments ensure a level playing field between VET and higher education providers so that there were no perverse incentives for students to choose courses or institutions on the basis of fee structures rather than career choice, interests and aptitudes. AWPA also reported on quality assurance in Foundations for the future.

While the time frame for submissions to the Senate inquiry into this bill was severely limited, many of the submissions have acknowledged the work that AWPA did. I would like to put those on the record. The submission to the Senate inquiry by Professor Gavin Moodie of RMIT and Dr Leesa Wheelahan of the University of Toronto said:

The Agency has been a great source of new ideas stimulating fresh thinking and innovation amongst employers, institutions, sectors and representative groups. Government departments usually don’t have the freedom to promote new ideas nor the discretion to advance them provocatively.

The Agency’s research on the demand and supply of skills in a transforming economy has been well received and been particularly influential. It is precisely this work which will be needed as Australia’s economy further restructures.

The submission by Innovation and Business Skills Australia to the same inquiry said:

IBSA has worked closely with AWPA and has greatly appreciated the initiatives to improve productivity, management, innovation and skills utilisation in Australian workplaces. It is important also to acknowledge the high level of industry expertise on the AWPA board which has made it an authority on the workforce development and skills needed to respond to industry needs. Their experience has greatly contributed to forward thinking beyond the bureaucratic frameworks.

And the submission from the Australian Council of Trade Unions stated:

AWPA, and its predecessor Skills Australia, have been an invaluable source of independent tripartite advice, research and advocacy in relation to the national skills agenda.

At a time when there are considerable skills challenges ahead, a decision to abolish the independent national skills agency is a retrograde step.
In this submission, we also express our disappointment in the way the whole process has been handled by the Government, even putting aside the merits of the decision.

The ACTU wishes to place on record its appreciation of the work done by the Board and staff of the Australian Workplace and Productivity Agency, and its predecessor, Skills Australia.

And, finally, the submission by the Australian Council for Private Education and Training said:

I would like to note my support for the unfunded and additional work taken on by the Chair of AWPA, Mr Philip Bullock, to lead the engagement for Australia with the Indian VET sector. Mr Bullock did an excellent job and leaves an important legacy for the sector beyond the work that AWPA was charged to do.

There were a variety of views about the decision to abolish AWPA amongst the submitters, but there was a consistent view that the work that had been done was important and deserved recognition; and it deserved to be on the public record. Key industry stakeholders have also been critical of the government's decision and grateful for the work and expertise that AWPA has provided in the past. Thus, the amendment I am proposing to this motion recognises the critical, strategic significance of the work performed by AWPA and seeks to ensure that the rigour and independence of this work is not lost when the tasks are taken into the department.

For that reason I commend the amendment to the House.

The DEPUTY SPEAKER (Mr Craig Kelly): Is there a seconder for the amendment?

Mr Brendan O'Connor: Thank you, Deputy Speaker. I second the amendment.

Mr LAMING (Bowman) (12:47): When we consider the repeal of the Australian Workforce and Productivity Agency, it is important that we appreciate the very good work done by staff since the establishment of Skills Australia, but I must say the reluctance of the opposition to defend elements of this agency is somewhat concerning. No doubt there was good intent within this agency—they produced some very important reports—but, with an increasing Public Service, can the nation afford to support yet another statutory authority operating independently of the department that was initially commissioned to simply do a job? The test should be: how often did the former government—and the member for Cunningham was part of that government—and the member for Cunningham was part of that government—respond to the reports that were prepared by AWPA? The answer is: never! That is right—a big zero. This was a government quite prepared to set up statutory authorities, very willing to dream up acronyms, quite happy to see expansions of publicly funded high-rise buildings, water bubblers and the like, but, ultimately, it did not even formally respond to the very good reports prepared by AWPA. Rather than reading out names in a valedictory speech today by the opposition and commending union mates for a job well done, that should be the measure of affection. Did they actually pick up the reports and did they read them? Did they respond to them?

AWPA did some important work, but, as I will argue today, that work has always been the job of our fine Department of Industry. It is a large and capable department which was actually commissioned to do such a job. We had a Labor administration that—whenever there was a speed bump somewhere or a napkin to be written on—would dream up a new agency. And that seemed to be done every week for the first couple of years of the Labor administration. Let it be recorded that we admired the good work of the staff at AWPA and we were impressed with the quality of their reports. But, in the end, you need to ask: are there other agencies out there prepared to write similar reports? Industry bodies should be writing
these kinds of reports and university post-graduate facilities are perfectly placed to be informing these kinds of analyses.

Alas, what we had instead was a shuffle between 2009 and 2012 under former Prime Minister Kevin Rudd to create new agencies. Why? It was to have a press conference, wasn't it? They would write a press release and, of course, everyone scurried around trying to work out the implications. Luckily for the former Prime Minister there were good people who picked up the press release and said, 'What will we do with it?' Given these resources how can we best spend them for the nation's future?' For that reason, I really commend those at AWPA, but I do note that that original $2.6 million investment into Skills Australia soon ballooned out—it trebled. The commissioning was no greater, but by 2011 we had 53 staff and a trebling of the budget. I appreciate that gave opportunities to certain people to travel around the country doing PowerPoint presentations on industry requirements—and I know plenty of people turned up to listen—but, ultimately, we need to ask whether public funds are best used by simply expanding the Public Service and creating new bureaucracies? When I sense the lack of passion from the member for Cunningham, it is fairly clear that even the Labor Party is admitting that they probably went a step too far. They had almost run out of acronyms in creating so many authorities, but that is not for one moment to understate the great work done by individuals initially in Skills Australia and then at AWPA.

Clearly, the new government is going to streamline operations. Clearly, the new government is going to say: 'You're a department of industry. This is exactly what you are commissioned to do.' It is a new government that is going to say: 'If we need advice about industry, we are going to talk to industry.' What a revolutionary concept that would be! Ultimately, they have said, 'We can merge back the activities of AWPA and ask the secretary—that is right. What a revolutionary notion to actually commit the secretary of the department to provide the direct advice that is coming from their own department!

The new government will be supporting the Industry Skills Fund. That is common sense, isn't it? The industry that is doing the training can seek public funds to perform private training for public benefit and get a co-contribution—that is right! What a novel concept that is for the Labor Party—a co-contribution: for every public dollar, the private sector puts in a dollar and says, 'This is training well worth doing.' The Industry Skills Fund will operate on merit. I am looking forward to businesses from all over the country picking up on the opportunity to train young Australians—which brings me to the skill shortage list.

AWPA did such a wonderful job maintaining this list over the years. It was commissioned with the task of looking after labour market issues, analysing education and training outputs and migration and general economic conditions. That is no simple task; I will concede that. Coming up with the SOL, or the Skilled Occupations List, was a very important job. In this contribution, I want to make a point about what the SOL truly is. The SOL is our failure list. It is the list of areas for which this nation never managed to provide adequate skilled labour and so look after the needs of this great country. Let us never forget that the SOL, where we basically find skilled independent migrants to do the work that we cannot train our own people to do, is fundamentally a policy failure. It is a failure we must continue to address and not to give up on by just making a bigger, longer list. The SOL was a very important job performed by AWPA. As I said, it was complex. It involved analysing a large number of sectors—labour market, education, training, the outputs from universities and employment
needs. Those things change very rapidly. The ability of the department of immigration to meet those needs in a delicatessen-style 'take your number and wait' operation can mean real pain and genuine economic loss for business from those delays. So the Skilled Occupations List plays a very important role. It is also important to mention that the Consolidated Sponsored Occupation List, the CSOL, pertains to other migration categories and was not something that AWPA looked after.

What you will see with this bill, which I think even begrudgingly the opposition supports—as long as they can make the appropriate 'thankyous' and valedictories; and despite the proposed amendment, which I am yet to see—is that we now have a system where a government can turn to industry and ask them, 'What are the problems, and how do we fix them in a team based arrangement?' We do not need a raft of publicly funded individuals to do the job that the department should be doing.

It is the reports of AWPA which I am most impressed with. From their original incarnation as Skilled Australia they have produced reports: three reports in 2008, six reports in 2009, four in 2010 and, in 2011, they hit their straps with 11 reports—none of them were responded to by government. What was the minister doing? Were they too busy reading other stuff that was not prepared by an expert statutory body? There was no response to the 10 reports written in 2012 that sat on the minister's desk and collected dust. I respect the Left for their love of a large bureaucracy. I can understand it. From where they come from, they think that is how the world should work. But, for goodness sake, if you are going to devote millions of public dollars to funding a statutory authority, just respond to the report, just thumb through it, just read it—but there is no evidence that that ever happened. So, once you get this bureaucratic loss of control, these reports just cause the minister's eyes to glaze over; the minister does not even respond to them.

The former minister, the member for Cunningham, is now talking about what a wonderful report was done last year. I simply ask her: 'So wonderful that your government did not respond to that report? It didn't bother to word-process just a couple of paragraphs about how that report actually informed decision making? No. What you saw in the Labor period was them utterly losing control of their own public administration. They were chasing up prime ministerial press releases and doing the best that they could with authorities who barely knew what their commission was. I have criticised many authorities in this place but I want to say that AWPA, through that period, managed to produce quality reports—and it is that that should be remembered in this contribution today.

Labor may attempt to amend this bill, but hidden behind it was that their idea of outsourcing ultimately became a public service that could have been done by others. The crowding out of the industry groups, universities and other technical bodies and the ability to specifically commission reports, which remains a job that government can do, was one that they forfeited and simply handed over to this body. For that reason, I strongly support the repeal bill. I am confident that the Department of Industry can pick up a significant number of those staff and virtually all of the activities which AWPA was engaged in. I commend the work that that body did while it was commissioned.

Mr PERRETT (Moreton) (12:57): I rise today to speak on the Australian Workforce and Productivity Agency Repeal Bill 2014. The purpose of this bill is to repeal the Australian Workforce and Productivity Agency Act 2008 and, hence, abolish the Australian Workforce...
and Productivity Agency. AWPA was established in 2012 by the former Labor government, the Rudd and Gillard government, replacing Skills Australia. It provided expert independent advice to government on the country's currently emerging and future skills and workforce development needs. Obviously, when organising a large economy such as this, it is important to focus on things such as productivity. For those introductory economic students out there, productivity is basically where we work out how the engine of the economy is running—not the size of the engine but how it is running, whether it is doing things efficiently. It is not a case of how many jobs there are, because that is not necessarily a guide as to how the engine is running. Just because people are digging holes does not mean that it is a good thing, because someone could come along with a post-hole digger and do things much more efficiently. Productivity is something that I think the Howard government dropped the ball on.

When we came to power in 2007, for that quarter under the Labor government productivity was actually at zero. The heavy lifting had been done by the Hawke and Keating governments—that was particularly heavy lifting. They were challenging times for Labor supporters and for the labour force and labour market—but we did it. Now we have some particular challenges.

A highly skilled workforce is something that Labor fundamentally believes in and in the benefits it brings for all of our community. A highly skilled workforce ensures that our businesses are resilient, innovative and competitive, especially when it comes to a global economy. Individuals achieving recognised and useful qualifications is one of the most effective ways to secure a job and then to earn a decent income. Obviously, we are seeing changes and the idea of having one job for life is fast disappearing. A job that you will be able to continue to evolve in is important, and training will provide that. When I grew up, my very first piece of paid employment, where I received a $1 note, was in a shearing shed. Nowadays, I go to my hometown and I do not think there is a single shearing squad in St George anymore, whereas when I was there there were six or seven teams of shearers. I cannot remember the exact numbers, but the ratio of personal trainers to shearers in Australia is about 20 to one. It is just how things have changed in the 40-odd years since I received my first pay for working as a rouseabout in a shearing shed. I think I was about six or seven at the time. Things change.

Australia needs to build a more highly skilled workforce that will help Australian workers get ahead. Obviously, this helps advance our community and economy and the social fabric that makes this such a wonderful country. We have seen over the years, although you have to go back a while, what happens when unemployment creeps into society. One of my proudest achievements is to be part of that Labor government that protected jobs during the global financial crisis. You look around the globe and see the horrors still being inflicted on communities because of the unemployment that was associated with the global financial crisis.

I think the government is actually at an interesting tipping point with its philosophy around what sort of social fabric it supports. This budget seems to be taking Australia down that low-wage, Walmart plan where people, when they are in paid employment, almost still need to beg to survive. That undermining of the minimum wage—that extreme right-wing Tea Party policy—seems to have gripped a couple of people in the government. I know there are still some sensible people over there, who might be able to speak up and do what they know is the
best thing for Australian society. From 26 January 1788, we have always supported the idea of people having a fair go. In court case after court case, with central fixing of wages or enterprise bargaining, we have always believed that Australia looks after the bottom two quartiles of society and says, 'You're as good as me, Jack.'

The role of government is to help Australian businesses adapt and innovate in this new economy. It needs to increase Australia's productivity and respond to a shrinking workforce. Obviously, we guide and assist—there is still a market mechanism, but the role of government in this situation is to guide and assist, and the purpose of AWPA is to accommodate such tasks. However, with this bill the government basically seeks to abolish AWPA's effective operations. There is an urgent need for training reforms to open the doors of training and skills development to those Australians without minimum qualifications, particularly in a society that has announced, out of the blue, that blue-collar workers will work until they are 70 years old—the oldest working people in the world. It might be okay if you are a lawyer or a politician, but try being a 70-year-old cleaner, having to get down every day and clean, as I heard about at the front of Parliament House yesterday from the cleaners. Try being a 70-year-old post-hole digger, where you rely on the muscles in your back. An increase in the retirement age to 70 makes a significant difference. It would take us to having the oldest workers in the world. That is a bizarre thing that should have been stated before the election, rather than just being introduced out of the blue afterwards. It is bizarre. I do not see a lot of support in my community coming from people, in labouring jobs particularly, who will have to keep working. But that is not what this legislation before us is about.

We also need to reduce the up-front costs facing Australians who want to participate in higher level training. We need to ensure that Australian industry has the skilled workforce it needs to adapt and innovate in a rapidly changing economy, by lifting the overall quality and performance of our national training system. All Australian governments recognise that the training system is under pressure to be more responsive to the needs of business and students. The former Labor government achieved substantial results in building a highly skilled workforce. We increased annual investment in vocational education by 35 per cent in real terms, adjusted for inflation, between 2007 and 2010, while, sadly, the annual overall state and territory commitment increased by only five per cent—and I am damning Labor and Liberal states with those figures. Sadly, in my home state of Queensland, we have TAFEs being closed down now and more are on the book. I heard a suggestion from Minister Langbroek that up to one in three TAFE campuses could be closed in Queensland. Contrast that with the Commonwealth Labor government's investment in these skills.

Labor also substantially increased investment in higher education, trade skills, and language, literacy and numeracy programs, demonstrating the Commonwealth's commitment to providing skills for all Australians. If we are to meet the current and future needs of our economy, responsibility for meeting the growing training needs of Australian businesses and workers must be more evenly shared between all governments, as well as business and individuals. We cannot just let the market rip in this area.

Already, entry-level positions in growing sectors such as aged care—as those baby boomers move into more challenging times—child care, transport and logistics increasingly require higher minimum qualifications such as a certificate III. On average, wages for people
without a certificate III qualification are at least $180 per week lower than for those with a certificate III or above qualification.

The AWPA was introduced so Australians could receive effective resources to achieve the following: the first ever guarantee for all Australians from post-school to the age pension age to have access to a government subsidised training place for a first certificate III qualification so that more Australians can participate in building a modern, advanced economy. Students can access the entitlement through any training provider approved by the relevant state or territory to deliver publicly subsidised training. That is the filtering of some of those skills that have perhaps been a little dubious over the years. Students are able to access foundation skills training necessary to complete the certificate III qualifications—such as language, literacy and numeracy, depending on the student. While students' fees charged for study may be different in different jurisdictions, all states and territories have been provided with appropriate concessions so that disadvantaged students do not face additional financial barriers to study. Students who are clients of Job Services Australia and Disability Employment Services now pay the same fees as other students and will benefit from any relevant concessions applicable to them. Students must meet the relevant entry criteria for the course and must not already have a qualification at certificate III or higher—we cannot just have frequent flyers going through this study process. Access to a particular course will be subject to the availability of training places in the relevant location. One of the key reforms that Labor implemented through the Skills Australia Bill was increased transparency of the VET sector. It was introduced to provide clearer and more accessible information about vocational education and training to employers, students and governments.

The AWPA is vital for Queenslanders now more than ever. Sadly, the latest labour force data released by the Australian Bureau of Statistics shows that Queensland lost 11,700 jobs in a month, bringing unemployment up to 6.1 per cent. My home state has been suffering under the Newman government's economic mismanagement. They continuously give us excuses and no solutions and, after more than two years, are still blaming the former Labor government. These unemployment figures suggest that real people and families are doing it tough in my electorate under the Newman government's growing list of broken promises. Just last month, we saw a 13 per cent hike in electricity bills, increased water prices and all the other associated cost-of-living increases—including rates in the City of Brisbane. Premier Campbell Newman promised a four per cent job target to be achieved over six years. Here we are in our third year and they are nowhere near target. They seem to be 100 per cent on target to give jobs to their mates, but horribly falling short when it comes to finding jobs for the majority of Queenslanders.

My electorate contains Brisbane's southern outer suburbs and, since the LNP was elected in 2012, my community has sadly suffered from rising unemployment figures. Suburbs like Acacia Ridge, Rocklea, Archerfield and Coopers Plains have concerning unemployment figures of around 15 per cent compared to an electorate average in Moreton of 6.6 per cent. The people in these outer suburbs are in need of training opportunities so that they can re-enter the workforce. This repeal bill that is before the chamber is a step in the wrong direction.

On top of this, people in these suburbs are some of the hardest hit by the federal government's latest budget. The current government lied about Medicare, pensions and no
new taxes. Now those in my electorate have been hit with a $7 tax when going to the doctor. This $7 is made up of $2 of red tape and $5 for the never-never. It is a bizarre imposition on the sick. Also, they are going to be hit with an increased cost every time they fill up their car—extra money every time they fill their car, a tax that will go up and up. The member for Warringah said he would help families with the real cost of raising children, but, sadly, he has cut $7.5 billion in family payments. These cuts will leave some families in my electorate around $6,000 a year worse off. Disgraceful!

Queenslanders depend on legislation such as the Australian Workforce and Productivity Agency Act. The decision to axe the agency is short-sighted, myopic. It is depriving Australians of their key independent skills advisory body. It eliminates any questioning of policy and research and what Australia needs for the future. Instead, like the Tea Party, we will rely on the market.

The facts clearly identify AWPA’s effective suggestions for changes in policy, linking tertiary education to the needs of the labour market. Expertise and knowledge will disappear from the sector with decisions being left to those in Canberra who get kicked around, people who have little experience with the effect of vocational education particularly down on the coalface. The AWPA provides advice to the Australian government on current, emerging and future skills and workforce development needs and opportunities. The repeal of AWPA will deprive the sector of an important independent forum where employers, unions and industry could freely discuss the big issues, oncoming issues and the over-the-horizon issues. I urge this government to reconsider their approach to the Australian Workforce and Productivity Agency Repeal Bill as the decision would be very short-sighted and damaging to the effective progress made by former governments.

Mr COLEMAN (Banks) (13:12): I rise to speak in support of the legislation before the House, the Australian Workforce and Productivity Agency Repeal Bill. AWPA is an independent statutory body at present, which has the main function of providing advice to the Minister for Industry in relation to skills and training issues in particular as they pertain to the VET sector and related issues. This bill abolishes the AWPA and transfers those functions to the Department of Industry itself. It is important to note that there is no suggestion of anything other than professionalism on the part of the staff of AWPA—and no doubt their efforts have been sincere—but this is a very clear example of the difference between the previous government and this government when it comes to the administration of a government policy.

This government says that when we can do something more efficiently, we should do so. We should not create committees unless they are absolutely necessary. We should not create new statutory bodies unless they are absolutely necessary. We should make sure that existing government resources do as much work as possible because that is what they are there for. Therefore, rather than effectively outsourcing this function to an independent statutory authority with all of the governance and associated costs that go with that—a board, a separate secretariat and all of the administrative issues that are related to an independent authority—we should bring that back within the department where of course there are very substantial resources and expertise in this space.

It is important to note that the previous government, for all of its support or supposed support for AWPA, never formally responded to any report that that statutory body put
forward. Again, if it is so important that this independent statutory body exists you would think that we would see clear evidence of the previous government responding to its reports—but that evidence does not exist.

Streamlining government management is a core value of this government, and it is in huge contrast to the previous government because the previous government never saw a committee they did not like. They never saw an acronym they did not like. They never saw a problem that they did not think could be solved if only they created a greater bureaucracy to address it. We on this side of the House know that bureaucracy must be minimised and that taxpayers' money should be spent in a wise and cautious fashion. The creation of new administrative bodies, new committees and new public sector bodies is generally not the right path to go down. We saw their general philosophy embodied under the previous government with a 50 per cent increase in government spending over six years—a huge increase in government spending. That is what happens when you have the philosophy of throwing more money at a problem, creating more government expense and creating more bureaucracy. For those opposite there is no problem that cannot be solved by just creating some more bureaucracy.

That is the wrong approach. Whilst those on the other side kicked off 'spendathon 2007' seven years ago and merrily went on their way over the next six years, we on this side of the House have a very different approach, and that is to be thoughtful, cautious and judicious in the use of taxpayer funds. We did not see that from the other side. Whilst there is obviously a school of thought that says the philosophy on the other side is just to say no and stand in the way—and there is clearly great credibility in that position—there is another philosophy on the other side of the House. That philosophy is very simple: it is to simply spend more money. That is their philosophy. There is no problem, it would seem, according to those opposite, that cannot be solved simply through the spending of more money.

We on this side of the House have a very different view, which is to spend government money in a very, very cautious fashion. We did not see that caution in the period from 2007 to 2013. Instead, we saw some very troubling examples of government mismanagement. We saw credit card spending by public servants increase by 100 per cent in four years. That is a lot. That is a growth rate of 25 per cent per year. That is a real concern. We also saw $600,000 spent on a study on 'an ignored credit instrument in Florentine economics'. Even the member for Fraser, I suspect, would not find that to be particularly interesting or a good use of government money. So there was a lack of respect for taxpayer funds generally and a bureaucracy-centric approach.

This was nowhere more evident than in the grotesque misuse of public funds that was the NBN under Labor. It was an appalling example of how not to manage a government program. When they write the textbook on the early part of the 21st century Australian government experience and they show the good examples of government expenditure and the bad ones, the NBN will absolutely be at the top of the list of bad ones. There was $6.5 billion spent for three per cent of the population to get broadband, and there was no relationship between that three per cent of the population and their need for broadband. There was no correlation between the need for broadband and the rollout of the plan. The reason there was no correlation is that nobody ever asked the relevant question. The previous government never actually asked the question, 'Where do we need this broadband the most?' It seems like a very logical question but it was never asked. In fact, it was not properly addressed until earlier this
year by the current government. That is a really dreadful example of a lack of respect for taxpayer funds.

We know the other examples—the misuse of funds in the Building the Education Revolution program, the Pink Batts program and so many more. We also saw this lack of respect for taxpayer funds as it pertained to border security. The previous government pursued a policy which was very unfavourable in terms of humanitarian results. It was in no-one's interests, least of all the people who come on boats, given the consequences of that on occasion. There was a horrendous financial blow-out of $11 billion. Again on the point of management and respect for government funds, it is very important to note that, because the flow of boats has stopped completely in the last six months, the government has been able to move to close a significant number of detention centres, saving about $2.5 billion. That is in very clear contrast to the previous government.

The abolition of AWPA is demonstrative of taking a sensible and streamlined approach to government expenditure. It is important to note that one of the important functions in this space is to make the VET sector function efficiently. The member for Moreton, in his wide-ranging remarks before, said that one of the successes of the previous government was clearer and more accessible information about the VET sector. Having spent a little bit of time looking at that sector in some detail, prior to coming to this parliament, I can tell you that it is an extremely complex area, where government involvement is high and there are many sometimes conflicting rules between different systems. There is a huge degree of complexity for operators in that sector. That is why it is so important that VET reform is so high on the government's agenda.

Those opposite would say, I presume, that VET reform cannot be done successfully in the absence of AWPA. We would say that that is certainly not the case. A well-managed and disciplined Department of Industry, in consultation with the states, through COAG, should in fact be able to address the very significant issues in the VET space.

As you no doubt are aware, there are many different standards applying in the VET sector. There are different funding models. Some funding models pertain to individual students and some run across the whole sector in block-funding type arrangements. There is massive exposure to changing government policy, with many providers literally becoming unviable when government policy changes. That is not a good situation. We do not want the VET sector to be as complex as it is. It is certainly heartening to know that the minister recently met with his COAG colleagues and established the Industry and Skills Council, in Brisbane, to really constructively look at the various problems across the sector.

It is certainly not a reflection on any of the individuals involved in AWPA that the government is moving to abolish this body. It is much more a reflection of the fact that we have got to get serious about streamlining government in this country. It is very easy to say that to solve a problem we need another committee, another working party or another council of some kind, and we need all the attendant bureaucracy that comes with it. It is very conceptually appealing to do that, because people think that it sounds like someone is addressing the problem. But as you know the more you build up the bureaucracy, the more you create these institutions, the greater the burden you place on the taxpayer and the greater the complexity that often arises. So a smart, focused Department of Industry addressing these
issues, with the minister and his state colleagues, is certainly the way to go. I commend the bill to the House.

Dr CHALMERS (Rankin) (13:25): I also rise today to speak on the Australian Workforce and Productivity Agency Repeal Bill 2014 and the amendment moved by my fantastic colleague the member for Cunningham. It is disappointing to see that this bill abolishes a key national policy and research body on skills and workforce development, and seeks to fold its duties into the Department of Industry. We want to see the sort of advice and analysis provided by this body continue, and that is what our amendment is all about.

By abolishing this stand-alone body, the government is once again proving its inability to anticipate the jobs and the workforce of the future with foresight and intelligence. I have spoken in this place before about the challenges that lie ahead of us in developing a workforce ready for the industries of tomorrow—challenges like rapid technological advance, the globalisation of the workforce, and the rise of intergenerational disadvantage, which are the sorts of things we need to be thinking about now when it comes to our approach to human capital in the workforce.

These challenges are having real effects on the face of the Australian jobs market. The job numbers have bounced around a bit and there have been some patchy outcomes. For a good discussion of the labour market I commend to the House the speech yesterday by Chris Kent of the Reserve Bank. We get some very good, clear-eyed analysis out of our central bank, and I encourage people to check it out.

Members will recall that over the first several months after the election of this government, the prevailing theme was announcement after announcement of job losses. Across thirty of Australia’s largest employers, over 28,000 job losses were announced: 5,000 at Qantas, more than 6,000 in automotive manufacturing, and many more at manufacturers around the nation. The sad reality is that a great deal of the jobs lost or announced to be lost are likely gone forever, at least in their most recent form. And while aggregate job creation figures have been stronger over the last couple of months, many of the job losses that have been announced are yet to take effect, and they are concentrated in the outer suburbs of our major cities, places already shouldering most of the burden of this government’s budget decisions. The result is a labour market characterised by volatility and uncertainty, even if the headline rate does not reflect this.

For thousands of Australians there is not only the uncertainty of whether their job will be secure into the future but there is also the uncertainty of whether they have the skills required to move into a new job. For young people contemplating their future careers, there is uncertainty about whether the types of jobs their parents and grandparents went into will even exist in Australia in the years ahead. So there are real challenges associated with the rapidly changing labour market in Australia.

But there are even greater opportunities for us, and it is our role as policymakers and decision makers to identify these opportunities and to equip people with the requisite skills to take advantage of them. Since 2012, this has been the function of the Australian Workforce and Productivity Agency, and prior to that it was the task set for Skills Australia.

The great advantage of the AWPA is that it was an independent advice body for the government on current, emerging and future skill needs. It brought together peak national
bodies such as the Australian Chamber of Commerce and Industry, the Australian Industry Group and the ACTU, to achieve genuine cross-sectoral industry leadership.

Over the last twelve months, the AWPA has conducted studies into the state of manufacturing, retail, resources, food and beverages, and the ICT workforce in Australia—all sectors that are key to the future of our country and our economy. Their reports have included recommendations for government, for industry and for the education sector to improve Australia's skills and productivity base in these sectors. And with the labour market in Australia in a state of volatility, uncertainty and transition, these recommendations have never been more important. This is particularly true for the higher and vocational education sectors, which are charged with preparing our young people for the jobs of the future. That is why some key figures in the higher education sector have come out in opposition to scrapping the AWPA. Leesa Wheelahan, associate professor at the LH Martin Institute for Tertiary Education Leadership and Management at the University of Melbourne, said:

There is now no source of independent advice—

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

STATEMENTS BY MEMBERS

Budget

Ms MacTIERNAN (Perth) (13:30): The Prime Minister said that his budget is the budget the Australian people voted for. Well, that is news to the small regional communities across WA who will be facing massive rate hikes as a result of the Abbott government's $102 million raid on financial assistance grants to WA local governments. Their councils are now in a very tough position: increased rates and charges or reduced services to communities. Small rural communities will be hardest hit. They rely on these grants often for over 30 per cent of their revenue. These councils—councils like Morawa and Halls Creek—will have little choice but to raise their rates by as much as 20 per cent just to keep delivering basic services.

Local government is already under pressure pending the High Court's decision on the second Williams case on Tuesday, which calls into question the constitutional validity of direct Commonwealth funding to local government. The Abbott opposition had destroyed the bipartisan action on this issue and killed off any chance of a referendum. They must take the responsibility for that uncertainty caused by Williams. But it is not too late for the government to repair its relationship with local government. Now is the time for the coalition to prove that it is a government for all Australia and to restore indexation for councils and let them continue their good work.

Lindsay Electorate: Cambridge Park High School

Ms SCOTT (Lindsay) (13:31): Since being elected as the member for Lindsay I have had the pleasure of visiting almost all the 65 local schools. As the fourth youngest electorate in the country we have dynamic primary and secondary schools and our education leaders are dedicated to raising the future leaders of our community. Our schools and our teaching communities are extremely passionate about the local region and are also actively engaged in the development and creation of opportunities for the next generation. I would like to recognise all the teaching staff and principals across the electorate who all do such a fabulous
job. The quality of our local teachers was recognised this month when Cambridge Park High School principal Kay Rigas was awarded one of four Harvard Club of Australia education scholarships. The $10,000 scholarship is for a 2½ week course based on evolving leadership. Upon receiving the scholarship, Kay said: ‘I might be the one going over to Cambridge, but in my opinion I am taking the school with me. My staff and students are my inspiration, and I truly feel that this course will enable me to continue to be innovative in learning and to come back inspired.’ This sentiment of winning not for one individual but for the community and for the school community is representative of the spirit of all my local schools. I congratulate Kay on being awarded this prestigious scholarship and look forward to catching up with her on her return.

Budget

Ms RYAN (Lalor—Opposition Whip) (13:33): The Prime Minister yesterday in question time said that he had brought down the budget the Australian people elected him to deliver. Well, I am sure the Australian people are very surprised to hear that. The 30,000 who marched to bust the budget on Thursday certainly disagree. I know in my electorate there is a new saying: ‘No cuts to health—yeah, right’. And in schools and universities around the country they are saying, ‘No cuts to education—yeah, sure’. The Australian people did not vote for this unfair budget. They could not have, because they were not told what nasty surprises it would contain. They were not told about the cuts to the family tax benefit that will impact on hundreds and thousands of families. They were not told about a GP tax that would discourage attendance at the doctor. They were not told about a petrol tax. They were of told about changes and cuts to pensions and concessions. They were not told about the changes to Newstart eligibility. They were not told that this government would introduce an unfair budget that punishes the most vulnerable in their household incomes while leaving the wealthy and the big corporations to continue to receive support from taxpayers. The Australian public did not vote for this budget. They did not vote for the unfair Australia that this government is determined to create.

Mallee Electorate: Leadership

Mr BROAD (Mallee) (13:34): Today I rise to talk about the people who come from my electorate. This week across the parliament we have been blessed to be visited by the Northern Mallee Leaders—and some of them are in the foyer at the moment—and the Loddon Murray leadership group. One of the things that are important about building rural communities is building capacity. We actually build wealth when we build capacity in our people. When we invest in people we lift their eyes to the opportunities that are around them. I have a strong belief that many electorates do not have strategic plans—and strategic plans are good things to have. In my electorate, our strategic plan is this: we are going to build wealth by building capacity and we are going to build community by building interaction. When you get people together you build a sense of self-worth, you build a sense of community. Sport plays a role in that. Community groups play a role in that. And in doing these things we really do drive a great society. The people who are doing the Northern Mallee Leaders program and the Loddon Murray leadership program are people who are contributors, people who really have a passion for their community. As part of the program, they have to deliver a project, and it will be really interesting to watch the project they will deliver across
the region. They are resilient, they are determined, they are passionate, and it is great to have them in this parliament today.

**Newcastle Electorate: Health Care**

Ms CLAYDON (Newcastle) (13:36): I wish to draw the House's attention to health care cuts in my electorate following this budget. Last year Tony Abbott promised no cuts to health, no cuts to education, no changes to pensions, no new taxes and no cuts to the ABC or SBS. But the very first budget handed down by this Abbott Liberal government directly contradicted each of these commitments. Yesterday in question time the Prime Minister stated, 'This is the budget that the Australian people elected us to bring down'. Well, Prime Minister, you may think you can play the Australian people as fools. But they know that this is a government that says one thing to get elected and then does the exact opposite afterwards. The cuts to health funding are already hitting the people in my electorate of Newcastle.

Hunter Medicare Local have today announced that they have had to make nine people redundant because they have lost 10 per cent of their funding. The chief executive of Hunter Medicare Local, Carol Bennett, has said it will affect their capacity to deliver the quantity and range of services they deliver to the Hunter community. This 10 per cent cut to funding comes before Hunter Medicare Local is set to close down in June next year—despite another pre-election promise from the Prime Minister that no Medicare Local would close under a government he leads.

Hunter Medicare Local helps keep the people of Newcastle and the Hunter well educated and healthy. This government is doing everything it can to undermine their good work. This is not a budget the Australian people elected the government to bring down. This is a budget of broken promises and twisted priorities.

**Chinese Australian Services Society**

Mr COLEMAN (Banks) (13:37): Today I rise to commend the Chinese Australian Services Society, better known as CASS, for organising a successful charity dinner on 7 June, held at the The Eight restaurant in Sydney. The charity dinner raised funds for the building of a residential aged-care facility—a goal that CASS has been working towards for some time. The facility will serve frail aged people of East Asian background, providing culturally and linguistically appropriate care and services, including meals, programs and activities. It is a tremendous project.

There were some great performances on the night, including a lion dance by the Australian Yau Kung Mun Chinese Martial Arts Association and a flute performance by Andy Yin, a very talented 17-year-old student, who is also involved in a number of CASS, Lions and other community initiatives. It was also great to hear from Deputy Consul-General of the Consulate-General of the People's Republic of China in Sydney, Mr Tong Xuejun, who addressed the event.

I would like to take this opportunity to congratulate and thank all of those involved in organising the night: Mr Benze Leung, Chairperson of CASS; Dr Bo Zhou; Mr Tony Pang; Mr Henry Pan; Dr Leng Tan; Mr Tao Bai; Ms Louise Wu; Mr Philip Ang; and Mr Clifton Wong.

Congratulations again to CASS. I wish them all the best in their efforts to build the much-needed aged-care facility.
Budget

Mr NEUMANN (Blair) (13:39): Yesterday the Prime Minister told question time: 'This is the budget that the Australian people elected us to bring down.' Deputy Speaker, I can tell you that that is not the budget that Aboriginal and Torres Strait Islander people expected from this Prime Minister, who raised their expectations before the election. The New South Wales and ACT Prisoner ThroughCare service is just one of many victims of this budget of betrayal. Last week, when the minister cut $534 million out of the Indigenous portfolio, he repeated that this would be a budget about inefficiencies and red tape and bureaucracy. Well, the New South Wales and ACT legal service was notified by the Department of the Prime Minister and Cabinet that its Prisoner ThroughCare unit would not be funded after 30 June 2014. The minister has had the nerve to give this service just two weeks notice of its defunding. Employers generally give workers at least four weeks notice.

The minister has been going around the countryside saying that no front-line services will be cut. This is the start of many, many services, groups and organisations around the country, from Fitzroy Crossing to Newcastle, to Melbourne, to Ipswich to Torres Strait to Cairns, which will receive funding cuts from this government. The Prime Minister said he is committed to closing the gap; it is a joke and a fake.

Ruffles, Miss Holly

Mrs PRENTICE (Ryan) (13:40): I recently had the honour of meeting Holly Ruffles at the Walton Bridge, The Gap Girl Guides Life Leadership awards ceremony. At 12 years old, Holly is an outstanding young needlewoman, displaying great skill and patience to the task for which she has received high-level recognition. Being home schooled, Holly began sewing at the age of eight as part of her curriculum. After winning at the local Brookfield show, Holy entered the Brisbane Exhibition, where she won first place in junior hand embroidery. However, her recognition has not stopped there.

Holly caught the attention of Jenny Adin-Christie, the embroiderer to the Royal Family, and was invited by Jenny for a private lesson at her workshop in Surrey, England. Holly has since won further competitions for her works, including the 2013 Brisbane Exhibition award, as well as the Royal Sydney Easter Show, where her work was displayed in the special cabinet for winners of the Excellence Award. It is expected that the Duke and Duchess of Cambridge would have seen that work on Good Friday during their official visit.

Holly's hand-sewing success has since been accompanied by further wins in machine-sewing competitions, often producing works outshining those of much older competitors. Holly's family and The Gap community are justifiably enormously proud of her.

Budget

Mr FITZGIBBON (Hunter) (13:42): The Prime Minister says that he has delivered the budget the Australian people voted for him to bring down. Well, he will not find too many people in rural and regional Australia who will agree with that statement. He will not find any people in the bush thankful for the cuts to Medicare Local, which, as the member for Newcastle has already pointed out, has already cost Hunter Medicare Local 10 per cent of its budget and nine staff. This is an organisation which has been so critical to bringing down GP to resident ratios in the Hunter and of course opening up more bulk-billing opportunities.
And the Australian people certainly did not vote for cuts to family assistance to pay for a paid parental leave scheme for high-income earners. As we know, thanks to some guidance from The Australian newspaper today, this particularly affects people in rural and regional Australia, where the ratios of those who receive family tax benefit B and those who will receive paid parental leave are very different. In the North Shore—in the Prime Minister's and Treasurer's seats—the ratio is about five to one. In rural seats the average is around 25 to one.

I wonder what the members for Gippsland, Hinkler, Page, Bass and others in this place think about this proposal. They are trying to explain to their local communities why they should be giving up family assistance to give money to high-income earners, who do not need the money.

**Hinkler Electorate: Acorn Childcare Centre**

Mr PITT (Hinkler) (13:43): Last week the Assistant Minister for Education, Sussan Ley, visited my electorate. The visit was very well received. We attended the Acorn Childcare Centre, which is owned by a local diabetic specialist, Dr Martin Strahan. Dr Strahan has a very strong interest in the diets of children, in particular the effect of nuts and nut oil products and how that may affect children in later life. This is one of the very few childcare centres in the region which has a completely vegetarian diet which includes nuts and nut oil. I congratulate Dr Strahan on taking that strong stance. It certainly seems to be effective and is working incredibly well. The centre also has a local music program. I would like to thank Gina and Janet for the great warm reception they gave me and the assistant minister when we toured the centre.

While in Bundaberg, Assistant Minister Ley ran a round table for local childcare providers. The message from those childcare providers was constant and it was quite simple. They are absolutely drowning in red and green tape. They are absolutely drowning in changes to regulation over the last six years. The thing they are absolutely crying out for—and crying out for constantly—is stability.

Stability is something this government will provide. Assistant Minister Ley was across her brief—she could answer every question that was asked. Certainly they were very happy with the outcome. It is exceptionally important that, as a government, we do what we said we would do and that we get out of the way and let these people get on with what it is they are best at doing. *(Time expired)*

**Budget**

Mr CONROY (Charlton) (13:45): Over 200 people came to the seniors expo in Morisset last week and the number one issue raised was the budget. People told me they are worried about cuts to their pensions and losing their seniors concessions on household bills. They say it is unfair to charge pensioners $7 to see a doctor or specialist and to make them pay more for their medicine. They worry about service cuts after hundreds of millions of dollars are stripped from hospitals on the Central Coast and in the Hunter. They know life will be harder for their children when family payments are cut and the petrol tax rises. They know their grandchildren will suffer from the biggest cut to school funding in Australia's history.

They are angry because, before the election, they were promised 'no changes to pensions'. They were told the cost of living would be eased. They were not told about a GP tax; higher medicine costs; cuts to public hospitals, schools, universities and family payments; or the
petrol tax. The Prime Minister says this budget is one which 'the Australian people elected us to bring down'. But he is wrong. The Liberals were not elected on the basis of these budget measures—because these budget measures were specifically ruled out before the election.

I was elected to represent the pensioners and seniors of Morisset, and the people of Charlton more broadly. I will fight this budget. Labor MPs were elected to stand by our values of fairness and equality. The Australian public are with us. A prominent public intellectual recently said that egalitarian rhetoric is woven into our national story. The public are on our side and we will fight this unfair and inegalitarian budget.

**Australian Navy Cadets**

Mr GOODENOUGH (Moore) (13:46): I was honoured to accept an invitation from the Australian Navy Cadets to attend the annual efficiency inspection of one of their training ships, the TS Marmion. Lieutenant Commander Robert Hughes is the commanding officer of the cadet unit based at Hillarys Boat Harbour within my electorate of Moore. The cadets were immaculately presented in their uniforms as they performed a well-rehearsed band exercise followed by a guard display on the parade ground. The cadets were inspected by a visiting senior naval officer.

Members of the cadet unit are outstanding young Australians who dedicate their time in order to develop valuable leadership skills, foster teamwork, gain self-reliance and learn practical sailing skills. These skills will prepare our youth for future success in adult life and for prospective careers in the Australian Defence Force. After the ceremony, the cadets undertook a practical sailing exercise within the boat harbour. TS Marmion has a close relationship with local schools, in particular Ocean Reef Primary School, which has a strong maritime tradition. I place on record my appreciation of the work of the Australian Navy Cadets personnel involved, including Lieutenant Commander Hughes, Sub-Lieutenant Wolfe, Chief Petty Officer Hastings, Sub-Lieutenant McCaskie, cadet instructors and the honorary chaplain, Reverend John Myles.

**Budget**

Mr PERRETT (Moreton) (13:48): Christine is a constituent in my electorate who has contacted me about this government's decision to cut funding to dementia patients in nursing homes. She would have been horrified to hear the Prime Minister say in question time yesterday, 'This is the budget the Australian people elected us to bring down.' Christine wrote:

With much disgust I read in the Courier Mail how you want to cut the Dementia Payment to Nursing Homes. I suggest you spend a day and a night in one of these homes and see what the staff have to endure in their working day. My husband has Advanced Dementia and needs a lot of their time as do the others. He now spends most of his time in a regency chair as he is no longer steady on his feet. Now has pressure sores and extra medical aides have to be used to try to stop this from happening further. This is an extra cost to the home and you want to cut funding. Who the hell do you think will have to pay when this funding stops, the good old pensioner who has very little money left over from his pension. The other alternative is the home will have to make cuts and once again the patient will suffer.

The way I see it is, it is now a crime to become old and need help …

Christine, like many others, needs a government that will fight for such essential services.

If the Treasurer thinks that spending $6,000 per Australian for welfare is unfair, he needs to wake up and see that this provides care for the elderly and for veterans, that it ensures the
unemployed have something to eat, and that it gives people with disability some independence and care. It is an amount any caring Australian would find very reasonable.

Royal Military College

Mr NIKOLIC (Bass) (13:49): As a former instructor at the Royal Military College, I recall graduation parades as very special and a time of justifiable pride for the cadets, their families, colleagues and instructors. But today's graduation at Duntroon is noteworthy, because it marks 100 years since the first class graduated. The Royal Military College opened in June 1911 and was one of our first truly national institutions.

When war broke out in August 1914, the first class had not completed their training, but their course was accelerated and they graduated early to enable their deployment to Turkey. The 35 young men from Duntroon's first class would become the platoon commanders of the new Australian Army—the Australian Imperial Force. By the end of the war in 1918, eight of the 35 would be dead. The survivors were the most successful class in the college's history, with more than half reaching the rank of brigadier or higher. Their efforts in the Dardanelles caused British General Hamilton to remark:

… each Duntroon-educated officer was literally worth his weight in gold.

During the Great War, some 42 Duntroon graduates were killed in action or died of wounds and another 58 were wounded—that is two-thirds of all who went away to fight.

Today is a proud day for a proud institution. We send our very best wishes to the young men and women who graduate today. They inherit and uphold the very best traditions of service to Australia.

Budget

Ms BRODTMANN (Canberra) (13:51): Yesterday the Prime Minster said that this was the budget the Australian people had elected him to bring down. I am not exactly sure where the Australians who apparently voted for this budget are, but I can assure the Prime Minister that they are certainly not living here in Canberra. On Saturday, I held a mobile office at Erindale in the south of my electorate and it was perfectly clear that, more than five weeks on from the Abbott government's budget, Canberrans are furious. In fact they are getting angrier by the day.

I spoke to Canberrans young and old and they were all united in their anger at this budget. Canberrans have no doubt that the cuts to school funding, the cuts to hospitals, the cuts to higher education, the cuts to pensions and the introduction of a GP co-payment are all broken promises. They have no doubt that this is a budget that unfairly targets young people, low- and middle-income earners, pensioners, single income families, public servants and the sick.

But do not take it from me. Here is what Canberrans have had to say: 'There is no fairness', 'This Budget is devastating', 'Times are tough', 'People's lives are on the line', 'Really, I am so terribly worried about our future', 'Please fight and fight hard for us against this budget and this destructive Government', 'What a nightmare the budget is!', 'As a sixth generation Australian I am appalled at what the government has done', 'How can it benefit our future to create an underclass of the chronically ill, under educated and disaffected?' and 'This budget will kill Canberra.' I can assure the Prime Minister that nobody here voted for this absolute stinker of a budget. (Time expired)
Barton Electorate: Chinese Market Gardens

Mr VARVARIS (Barton) (13:52): On Thursday of last week, I visited a traditional Chinese vegetable farm in Barton in the presence of councillors and notable members of the Chinese community. This farm has been operating for more than 20 years as a family business, growing Chinese vegetables, winter melons and bananas. But beyond its 20 years of operation the farm represents a far greater period of time that Asian market gardens have thrived in challenging Australian conditions. Chinese market gardens have operated in the Barton area since the 19th century and form an integral part of the atmosphere and history of the area. At a time when drought often threatened European-style farms and market gardens, Sydneysiders could rely on these traditional Chinese farms for fresh produce.

Today, the farmers in Barton are striving to meet the growing demand for Chinese groceries from the substantial Asian population in the area. They spoke to me about the challenges facing such a specialised operation, which requires particular knowledge, patience and persistence. Their farm represents the perseverance of a special element of Chinese culture in our multicultural environment. As it is one of only a handful of traditional market gardens left after the dwindling of similar farms in north and inner Sydney, it is a precious piece of living history. I vow to do all I can to ensure the sustainability of this remarkable enterprise.

Budget

Dr CHALMERS (Rankin) (13:54): I thank all of the good people from my community I spent time with on the weekend at a Medicare rally in Browns Plains. I also went doorknocking in the great suburb of Meadowbrook with a couple of our state candidates, Linus Power and Shannon Fentiman. Some of the people I spoke to rejected this budget on the basis of the lies they were told; some of them rejected the broken promises, some of them rejected the attacks on the cost of living, but most people rejected this budget on the basis of all of those things. What really rubbed salt into the wound for the people in my community was hearing what the Prime Minister said in question time yesterday about how this is the budget the Australian people elected them to bring down. As if it was! This was only one of four clangers that the Prime Minister dropped in here yesterday. He said he wanted an egalitarian society in Australia. As if! He said it was a fair budget. As if! He said this was a government that kept its promises. As if!

The people I spoke to are onto him. They know that if he kept his promises we would not have changes to pensions, we would not have $80 billion cut from hospitals and schools, we would not have cuts to the ABC and we would not have him making it harder for good people who are just trying to make ends meet. The symbol of the unfairness in this budget is the Paid Parental Leave scheme. It says everything about their warped priorities that they will give $21 billion to the wealthiest parents in the country and cut people who are vulnerable. I thank the good people I spoke to on the weekend for raising all these issues about this unfair budget.

Agriculture

Mr HUTCHINSON (Lyons) (13:55): Agriculture in all its forms is very important to my electorate of Lyons and the state of Tasmania. I want to tell you about a fifth generation Tasmanian beef and sheep farmer who is giving people living in the city an insight into life on the land. Matt Dunbabin and his wife Vanessa run beef cattle and sheep on their 6,400 hectare
property at Dunalley on the beautiful Tasman Peninsula. The property has 30 kilometres of stunning coastline. Their historic property, Bangor, combines running 8,000 merino wool sheep with prime lamb production.

The Dunbabin's agricultural enterprise has been beamed to a national and international audience in an online documentary called The Journey of a Bettertarian. The documentary with the catchy title was a Meat & Livestock Australia initiative, part of the organisation's Target 100, which aims to deliver clear messages to demonstrate how sustainable sheep and cattle production is in Australia. Mr Dunbabin said that the documentary had been an exciting opportunity for him and his wife Vanessa to share their experiences with consumers interested in knowing where their food is produced and how it is produced. He said he hoped that city visitors would get a better perspective on the way they approached food after seeing first hand how a cattle and sheep farm operated. He believes it is vital to explain how farmers work with the environment and put the welfare of their animals at the top of their priority list. No-one cares more for animal welfare than our primary producers. More information is available at www.bettertarian.com.

Budget

Ms CHESTERS (Bendigo) (13:57): Yesterday in question time the Prime Minister said that 'This is the budget that the Australian people elected us to bring down'. What kind of alternative planet is this government living on? This clearly shows that members of this government and the Prime Minister are not out there talking to the people in their electorates. When I am out talking to people in the Bendigo electorate, they are saying that the GP co-payment is unfair. Rural doctors are saying it will stop people from going to the doctor. What they are also saying in Bendigo is that they are outraged by the health cuts—$25 million cut from Bendigo Health. The government was not clear about that in opposition—they did not stand up in front of Bendigo and say, 'We will cut this money from your hospital.'

The government also did not tell people that they were planning to increase the petrol tax, which will hit regional people really hard. If only every cent of that petrol tax went back into Bendigo roads. If every single cent of that petrol tax went back into Bendigo roads, we would not have a roads problem in regional Victoria. The people in the Bendigo electorate do not support the cuts to education. Gonski would have delivered fair education for all. The people in Bendigo also do not support the changes to universities. This budget is unfair, it is cruel and it is another example of how this government is not talking to the community. They are out of touch. (Time expired)

Capricornia Electorate: Surf Lifesaving

Ms LANDRY (Capricornia) (13:58): Last financial year, almost one quarter of drownings in Australia occurred at the beach. Today I recognise the outstanding volunteer work of Yeppoon surf lifesavers on the Capricorn Coast. Earlier this year, in conjunction with the Wide Bay Capricorn Branch of Surf Life Saving Queensland, the Yeppoon club marked the end of the surf patrol season by holding a memorial service to reflect on those who have died in the surf.

During the season, club members performed over 3,600 hours on surf patrols. The volunteers were able to take 1,000 preventative actions that helped to save lives and performed about 50 first-aid treatments. Sadly, in Queensland at least six lives were lost to...
beach drownings. During the ceremony, Yeppoon surf lifesavers held one minute’s silence while a wreath was laid in the ocean. At the same time, the club's rowing team held the oars into the sky, which is a surf lifesaver's mark of respect. On behalf of the House, I wish to acknowledge our appreciation for the good work carried on by all lifesavers on Australian beaches.

The SPEAKER: It being 2 pm, in accordance with standing order 43 the time for members' statements has concluded.

QUESTIONS WITHOUT NOTICE

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00): My question is to the Prime Minister. Before the election the Prime Minister promised no cuts to health, no cuts to education and no change to the pension; but after the election the Prime Minister has cut $80 billion from schools and hospitals, and cut pension indexation.

Honourable members interjecting—

The SPEAKER: There will be silence.

Mr SHORTEN: How can the Prime Minister possibly claim that this is the budget the Australian people elected his government to bring down?

Opposition members: Hear, hear!

Mr Buchholz: You couldn't hit the side of a barn with that!

The SPEAKER: The member for Wright will desist.

Mr ABBOTT (Warringah—Prime Minister) (14:00): In response to the falsehoods of the Leader of the Opposition, I make two points.

Opposition members interjecting—

The SPEAKER: The member for Isaacs will desist. The member for Rankin had to leave yesterday; I presume he wishes to stay today.

Mr ABBOTT: In response to the Leader of the Opposition's falsehoods I make two points. First, this government was elected to deal with the debt and deficit disaster that members opposite created. That is the first point I make. The second point I make is: when it comes to public hospitals, funding goes up nine per cent this year, nine per cent next year, nine per cent the year after that and six per cent in the fourth year.

Ms King interjecting—

The SPEAKER: The member for Ballarat.

Mr ABBOTT: In respect to public schools, funding goes up eight per cent this year, eight per cent next year, eight per cent the year after that and six per cent in the fourth year. Every single year, spending on health and education goes up. That is why the question from the Leader of the Opposition is just a farrago of falsehoods.

Mr Shorten: Madam Speaker, I rise on a point of order. In light of the Prime Minister's defensiveness, I just wanted to give him his own budget papers.

The SPEAKER: There is no point of order. The member will resume his seat.
Mrs ANDREWS (McPherson) (14:02): My question is to the Prime Minister. Will the Prime Minister explain how fixing the budget will strengthen the economy to the benefit of Australian businesses and families?

Mr ABBOTT (Warringah—Prime Minister) (14:02): I thank the member for McPherson for her question. Like everyone on this side of the House, she is very conscious of the promise we made to the people before the election: to build a strong and prosperous economy for a safe and secure Australia. If you want a stronger economy, you have to build a stronger budget and that is precisely what this government has delivered. Instead of debt and deficit stretching out as far as the eye can see, instead of $120 billion of cumulative deficits, instead of debt peaking at $667 billion, this budget brings us back to balance within four years. This budget reduces debt by almost $300 billion. This is an honest budget. It does not fake up a surplus by cooking the books and fiddling the figures. Above all else, this budget addresses the problem of dead money—the one billion dollars in interest repayments every single month that this Commonwealth is paying because of the Leader of the Opposition and members opposite.

Mr Pyne interjecting—

Mr ABBOTT: If we did not have the billion dollars in dead money thanks to Labor's debt and deficit disaster we could, as the Leader of the House says, build the north-south corridor in just one month. If we did not have this dead interest money we could upgrade the Gateway Motorway in Brisbane in just one month. In six months we could rebuild the Bruce Highway and in a little over a month we could do the range crossing at Toowoomba. In a month we could rebuild Hobart hospital. I know the member for McPherson, as an engineer and chairman of the public works committee, wants to get these things built. They will be built so much more quickly when we are no longer paying off Labor's debt. This is a budget that tackles the problems that members opposite left us. This is a government with a plan to make our country strong.

Mr Perrett: It's a Burke and Wills plan!

The SPEAKER: The member for Moreton.

Mr ABBOTT: All we have from members opposite is a scare and a complaint with no solutions. You cannot trust Labor with national security and you cannot trust Labor with our nation's economy.

Honourable members interjecting—

The SPEAKER: We will have some silence before I call the honourable member for Hunter, and that includes the member for Chifley.

Mr FITZGIBBON (Hunter) (14:05): My question is also to the Prime Minister. Prime Minister, Australians in rural and regional areas will pay your new petrol and GP taxes while having their pensions and family tax benefits cut, while at the same time you roll out your unaffordable paid parental leave scheme. Prime Minister, please tell the House how this is fair.
Mr ABBOTT (Warringah—Prime Minister) (14:06): Yet again, more falsehoods from members opposite.

Mr Snowdon interjecting—

The SPEAKER: The member for Lingiari.

Mr ABBOTT: There are no cuts to pensions. Pensions go up every single six months; every six months pensions will increase. In March, pensions go up; in September, pensions go up.

Mr Fitzgibbon interjecting—

The SPEAKER: The member for Hunter will desist.

Mr ABBOTT: Every March and every September, pensions go up. The member for Hunter—

Mr Fitzgibbon interjecting—

The SPEAKER: The member for Hunter has asked his question and will desist.

Mr ABBOTT: should not run around this country scaring the pensioners of Australia. What this government is doing is making the pension sustainable. If there is one thing that threatened the sustainability of our pension system, it is the debt and deficit disaster which members opposite left us.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will desist.

Mr ABBOTT: When it comes to roads, I am very proud to say that this budget is the greatest road building budget in Australia's history. There are few things that are better for country Australia than new roads, and that is what the people of Australia will get in spades under this government.

Mr Snowdon interjecting—

The SPEAKER: The member for Lingiari is warned!

Carbon Pricing

Mr LAMING (Bowman) (14:07): My question is to the Treasurer. Will the Treasurer outline how repealing the carbon tax will boost growth and help state governments around the country?

Mr HOCKEY (North Sydney—The Treasurer) (14:07): I thank the member for Bowman for the question. Our Economic Action Strategy is going to fix the federal budget, which was a terrible legacy from Labor: $667 billion of debt and $123 billion of forecast deficits. If we do not take remedial action, if we do not set about fixing the budget, then the interest bill alone in 10 years time is going to be $3 billion a month as a result of Labor's actions. Seventy per cent of that will be interest payments going to people living overseas, because they are the people that we have had to borrow from to fund the deficits that Labor created.

Our Economic Action Strategy is not just about fixing our budget and it is not just about fixing the household budgets; it is also about fixing the state budgets, because it includes the fact that we are getting rid of that insidious carbon tax. That insidious carbon tax will go, under the coalition. As a result of the carbon tax going, the New South Wales government will save $237 million every year. Currently, the New South Wales government has to spend
$237 million a year paying the carbon tax to Canberra. They will not have to pay that, so over four years, instead of paying that, they will have enough money to build a brand new full-service teaching hospital in the middle of New South Wales. That is what they get when they do not have to pay the carbon tax.

In Queensland currently they are spending $148 million a year. They will get to keep the money from this year's carbon tax bill in Queensland and, instead of it coming to Canberra, they could build three new high schools—perhaps one in Townsville, perhaps one in Cairns or perhaps one in the member for Bowman's electorate. That is what they get for saving the payment on the carbon tax. The Victorian government pays $200 million a year on the carbon tax. That is the equivalent of four new high schools every year, or the equivalent of one year of carbon tax in Victoria could deliver payroll tax relief for 39,000 small businesses in Victoria. So that is the benefit that starts to flow through. In Western Australia it is $50 million a year, in the Northern Territory $20 million a year, in South Australia $10 million a year.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is warned!

Mr HOCKEY: The bottom line is this: if we want to fix the Federation, if we want to fix the tax system, if we want to fix household budgets, if we want to fix the federal budget and if we want to fix state budgets, then the Labor Party has to get out of the way and support our repeal of the carbon tax.

Age Pension

Mr BURKE (Watson—Manager of Opposition Business) (14:11): My question is to the Prime Minister and refers to his previous answer about pensions. Today in the Senate the Minister for Finance has admitted that the government is reducing government payments including payments to pensioners. Now that the Prime Minister's claims he has increased pensions have been exposed as wrong by his own Minister for Finance, who said the government is reducing payments to pensioners, will the Prime Minister explain why he believes these confirmed cuts are fair?

Mr ABBOTT (Warringah—Prime Minister) (14:11): Let me repeat there are no cuts to pensions—none. There are no cuts to pensions. In March every year pensions go up; in September every year pensions go up. Every year. It is true that in 2017 the indexation rate changes. It is true that the indexation rate changes after the next election. What we are doing is applying to pensions the same indexation rate that the Labor Party applied to the family tax benefit. If the indexation rate is fair applying to the family tax benefit, then it is also fair applying to the pension. I want to make absolutely crystal clear to the pensioners of Australia that their pensions are safe with this government.

Budget

Mr BANDT (Melbourne) (14:12): My question is to the Prime Minister. Since the budget I have heard from many job seekers under 30 worried about how they will survive when your government takes away their income for months at a time. These people are desperate for meaningful work and they have already studied, retrained and even got postgraduate qualifications. Prime Minister, when your budget takes away all their income, what should
young job seekers do first: stop paying for rent or stop buying food? Or is your view simply let them eat cake?

The SPEAKER: The Prime Minister has the call and will pay no attention to the final comment in the question, which was out of order.

Mr ABBOTT (Warringah—Prime Minister) (14:13): I want the young people of Australia to get the best possible start in life. I have to say that no-one should start their adult life on social security. We want the young people of Australia to be either earning or learning and, thanks to the changes in this budget, the chances to learn are absolutely unprecedented. Thanks to the changes in this budget, there are more opportunities to learn than ever before. We will be making available Trade Support Loans to apprentices and we will be applying to non-degree courses the same kind of fee help that has long been available to people doing degrees. It is a fairer, better system as a result of the changes that this government has put in place under the budget.

Immigration Policy

Ms HENDERSON (Corangamite) (14:14): My question is to the Minister for Immigration and Border Protection. Will the minister inform the House on the importance of strong and consistent measures to protect out borders? Are there any fresh challenges to these measures that are stopping the boats?

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (14:15): I thank the member for her question. This government is doing what we said we would do on our borders. We are doing exactly what we said we would do. The member for Corangamite, like every other member on this side of the House, can look their constituents in the eye and say, 'We said we would stop the boats, and that is exactly what we are doing.'

Dr Chalmers interjecting—

The SPEAKER: If the member for Rankin is anxious to leave, he can be assisted.

Mr MORRISON: We took to the election what we could do and we have achieved that to date. We will continue to achieve it by holding fast to the policies that we know work and that we have always believed would work. We will remain steadfast in our convictions to those policies. When those opposite go to their constituents and look them in the eye, their constituents will see one thing when it comes to border protection and that is failure. Because for six years that was the history and that was the form of—

Mr Marles interjecting—

The SPEAKER: The member for Corio will desist. Is the member for Corio anxious to leave again?

Mr MORRISON: If he wants to ask me a question, Madam Speaker, he is welcome, but he just wants to shout shrill objections. Are you going to leave or are you going to ask me a question? Have some guts and ask me a question. The contrast could not be more stark. The only thing—

Mr Marles interjecting—

The SPEAKER: The member for Corio is warned. One more utterance and you will leave under 94(a).
Mr MORRISON: The only thing that will be turned back by Labor, if they are ever to come to power again, would be the successful border protection policies of this government. How do we know that? It is their form—that is what they did last time and that is what they always do—because they do not believe in strong border protection policies. They were dragged kicking and screaming to offshore processing. We have not had a successful people smuggling venture in almost six months, and that has not happened by accident. It has happened as a result of conviction and belief in policies that we know work. Those opposite have had every position under the sun on border protection. They have been for turn backs; they have been opposed to turn backs. Kevin Rudd said he would turn boats back prior to the 2007 election—

Mr Marles interjecting—

The SPEAKER: The member for Corio will leave under 94(a) immediately.
The member for Corio then left the chamber.

Mr MORRISON: but the promise did not even last until Christmas. They were for offshore processing; they have been against offshore processing. They have been for temporary protection visas and against them. People smugglers profited from the weakness of the previous government. If they were ever to occupy these benches again, the people smugglers would profit again, because Labor's weakness bears them out. Whatever their proclamations, or the division in their own ranks, the Labor Party will always be weak on border protection.

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:18): My question is to the Prime Minister. A short time ago the New South Wales Liberal Treasurer said about the Prime Minister's $80 billion of cuts to schools and hospitals that:

There is no point pretending that the broken agreements of the federal budget won't hurt the people of NSW.

How is it fair to make the people of New South Wales pay for this Prime Minister's broken promises?

Mr ABBOTT (Warringah—Prime Minister) (14:19): Madam Speaker, there are no broken promises. There are no broken promises. We made it absolutely crystal clear pre-election that we were not committed to Labor's unsustainable pie-in-the-sky promises for the out years. We made it absolutely crystal clear that we were not committed. I have been asked about our budget and the New South Wales budget. Let me make it absolutely clear: as a result of this government's budget, total Commonwealth funding to New South Wales increases by $5.8 billion—$5.8 billion of increased funding as a result of our budget. Year on year, hospital funding grows by eight per cent, 10 per cent, 10 per cent and eight per cent. Year on year, schools funding grows by seven per cent, eight per cent, nine per cent and six per cent. This Commonwealth government is investing almost $15 billion to build the infrastructure of the 21st century for New South Wales. That includes $2.9 billion for our Western Sydney infrastructure plan; it includes $5.6 billion to complete the duplication of the Pacific Highway; it includes $1.5 billion plus a concessional loan of up to $2 billion for the WestConnex project. I applaud the budget that the New South Wales government has just brought down—I really do applaud it. I particularly applaud their emphasis on infrastructure.
Let me say: this infrastructure Prime Minister is helping that infrastructure government to the right thing by the people of New South Wales.

Mr Albanese: On a point of order, I was concerned that the figures the Prime Minister was using were from last year's budget.

The SPEAKER: The member for Grayndler will resume his seat. He knows perfectly well that is not a proper point of order, and he will not abuse the standing orders again.

Mr Shorten: I seek leave to table the New South Wales budget papers, which give a different view of the world.

The SPEAKER: You have heard my ruling on tabling of documents. Since it is a public document, you may not seek leave.

Rail Infrastructure

Mr COULTON (Parkes—The Nationals Chief Whip) (14:21): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Will the Deputy Prime Minister outline what the government is doing to improve Australia's freight rail network?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:22): I thank the honourable member for his question. I know that he is as pleased as all regional members in Australia are about the $50 billion commitment that this government has made in the budget to road and rail infrastructure. It will make a real difference to our road network. There has been a lot of attention given to some of the major road projects that are being funded in this budget, but there is also significant investment in rail.

Mr Perrett: What about urban rail?

Mr TRUSS: How about the Port Botany rail? Is that urban? I would have thought it was in a sort of town. It is called 'Sydney'. This is a new rail link to connect the port at Botany to the intermodal to make sure that freight can move smoothly through Sydney. Of course, there is the North West rail project in Sydney—$690 million for that project. If the honourable members opposite are looking around for urban projects, how about the Moreton Bay Rail in Brisbane, which was announced by both the Labor Party and the coalition in the 2010 election? This will not be—

The SPEAKER: The member for Grayndler, on a point of order, and it had better be an accurate one.

Mr Albanese: Yes, Madam Speaker. The question went to this year's budget and initiatives for rail.

The SPEAKER: Are you raising a point of relevance?

Mr Albanese: Yes, I am on relevance. He has not mentioned one initiative from this year's budget.

The SPEAKER: There is no point of order. It is a debate.

Mr TRUSS: The reality is that, yes, both Labor and the coalition promised this railway line in the 2010 election but it had to wait until we were elected to actually get started, to get built and underway. There are also commitments to the Advanced Train Management System
between Port Augusta and Whyalla, the Melbourne metropolitan intermodal scheme and the $120 million to continue the upgrading of the Tasmanian rail system. I am sure the honourable member for Parkes will be particularly interested in one of the other flagship commitments in this budget, and that is $300 million towards the new Melbourne to Brisbane inland rail. We are getting on with the job—a project that Labor neglected during its time in office. We have put in place an implementation committee, and they are working on developing key initial projects that might well be able to begin promptly. They have identified three areas: the Rosewood to Kagaru section in Queensland, the Narrabri to North Star section in New South Wales and the Parkes to Narromine section in New South Wales. Some of those areas are obviously in the member's electorate.

So we have a real commitment to getting the inland rail project underway. It is a project that will make a real difference to the movement of freight between our second and third largest cities but also provide new outlets for production, particularly in inland New South Wales, the member's electorate, to enable it to get to a port more smoothly and more efficiently. This is a major new project that will make a real difference to the transport network of our nation.

Budget

Ms COLLINS (Franklin) (14:2): My question is to the Prime Minister. Families in rural and regional electorates will be hard hit by the Prime Minister's cuts to family tax benefit part B. Does the Prime Minister think it is fair that families in the bush will have their family payments cut while wealthy Australians in the city get paid $50,000 to have a baby?

Mr ABBOTT (Warringah—Prime Minister) (14:26): What this government wants to do is establish fairness. It is not fair that the staff of the member who just asked this question get access to paid parental leave at their wage and people working as shop assistants in milk bars, in the small businesses of country Australia do not. What I want to do is to ensure that there is fairness across urban and regional Australia by ensuring that every Australian gets access to a fair dinkum paid parental leave scheme. I know that members opposite are disappointed that they did not have the guts to think of this and put it forward as policy.

Opposition members interjecting—

Mr ABBOTT: That is the truth, Madam Speaker.

The SPEAKER: There will be silence on my left.

Mr ABBOTT: Why should public servants have access to paid parental leave at their wage and not the rest of Australia? Why should the Leader of the Opposition's staff have access to paid parental leave at their wage and not the rest of Australia?

Dr Chalmers interjecting—

The SPEAKER: The member for Rankin is warned.

Mr ABBOTT: So I want one rule for everyone and that rule is that paid parental leave should be paid at a person's wage. People get paid holiday pay at their wage, they get paid sick pay at their wage, they get paid long service leave at their wage and, finally, under this government, they will get paid parental leave at their wage. That is fair. That is just. That is modern. It is social reform and it is economic reform, and it will be delivered by this government.
Mr HAWKE (Mitchell) (14:28): My question is to the Minister for Foreign Affairs and it follows on from the Prime Minister's very successful visit to North America recently. Can the minister update the House on how Australia's relationships in North America have been greatly strengthened and greatly enhanced by the Prime Minister's visit in the past fortnight.

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:28): I thank the member for Mitchell for his question.

Dr Chalmers interjecting—

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

The member for Rankin then left the chamber.

Ms JULIE BISHOP: I am pleased to report that relations with our North American friends, both the United States and Canada, have been significantly strengthened by the Prime Minister's most recent visit. I spoke yesterday about the Prime Minister's successful meeting with the United States President, and I am pleased to inform the House that the Prime Minister's discussions with Prime Minister Stephen Harper were also warm and productive, covering topics like international security, trade and development, international taxation, the G20 agenda and the like.

Canada has a shared heritage with Australia and is one of the world's great democracies. Our soldiers have fought for freedom and against common enemies as far back as the Boer War, world wars I and II, the Korean War and in Afghanistan. Canada is an active and constructive member of the United Nations, APEC, the World Trade Organization, the G20, the G8 and others.

I note the Prime Minister's visit to Canada last week was the first visit by a Prime Minister since John Howard in 2006 and I note that there was no visit by an Australian foreign minister since Alexander Downer's visit in 2006, and I intend to visit our close friend and partner to follow up on the Prime Minister's successful visit.

Canada is generally regarded as one of the world's leading nations in terms of human rights and its strong democratic foundations, in stark contrast, of course, to certain other nations. There has been a bipartisan view in this place that there are certain regimes that undermine the international order. They fund terrorism. They routinely inflict human rights abuses on their citizens. They are called pariah states. It has generally been accepted that North Korea, Iran and Syria are pariah states, but now Labor have added to their list of pariah states Canada. The shadow Attorney-General was on Melbourne radio on 11 June and described Canada as a pariah state. This is a test for the Leader of the Opposition. Show some semblance of decency and some leadership. Rebuke the member for Isaacs for calling Canada a pariah state. The Leader of the Opposition refuses to do so.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will desist!

Ms JULIE BISHOP: What an outrageous slur on one of our great friends and one of the world's great democracies to call Canada a pariah state in the company of Iran and North Korea and Syria. This is a test for the Leader of the Opposition, for, if he does not rebuke the
shadow Attorney-General for calling the great democratic nation of Canada a pariah state, it is a reflection on him.

Mr Dreyfus: On climate change!

The SPEAKER: The member for Isaacs is warned! One more utterance and he will leave.

Ms JULIE BISHOP: This is yet another example of the poor judgement from this embarrassing bunch of amateurs that make up Labor's frontbench.

Budget

Mr MITCHELL (McEwen—Second Deputy Speaker) (14:31): My question is to the Prime Minister. Thirteen of the 15 National Party electorates have higher numbers of families receiving family tax benefit B than the national average. Every single one of these families will have their family payments cut while the Prime Minister rolls out his unaffordable paid parental leave scheme. How is this fair for regional Australia?

Mr ABBOTT (Warringah—Prime Minister) (14:32): The great thing about our paid parental leave scheme is that it extends the fundamental principle that people should be paid parental leave at their wage, from the Public Service here in Canberra to the country areas of Australia. That is what it does. It establishes the same rule for the whole country that, when you go on paid parental leave, you get paid at your wage. Not just as a public servant in Canberra and not just as a high-priced city lawyer or accountant but as a hardworking small-business employee in country Australia, at last you get paid your paid parental leave at your wage.

Under us, right around Australia, parental leave is a workplace entitlement, not a welfare entitlement. It is just, it is fair, it is modern, it will be delivered by this government and it establishes fairness between city and country Australia—at last.

Higher Education

Mrs PRENTICE (Ryan) (14:33): My question is to the Minister for Education. Minister, how is the government expanding opportunities in education for all Australians while creating a fair system for both students and taxpayers? Why is it important to take a consistent approach to education policy?

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:33): I thank the member for Ryan for her question. I am pleased to be able to tell her and the House that the government's higher education reforms are expanding opportunity to more young Australians, up to 80,000 more, typically from low socioeconomic status backgrounds, and at the same time promoting excellence in our universities. Eighty thousand more young Australians will go on, on average, to earn 75 per cent more than those Australians who do not have a higher education qualification.

Our higher education reforms rebalance the contribution between taxpayers and students. Currently, taxpayers are funding 60 per cent of the cost of a student's higher education and the student is typically paying around 40 per cent. After our reforms are passed, the contribution will be about 50-50 between taxpayers and students. As we know that students will go on to earn 75 per cent more, on average, than those Australians who do not have a higher education qualification, that seems a very fair exchange between the taxpayer and the students.
It is important that there be consistency in approach in policy, not just in higher education but across government. For example, in higher education, the Leader of the Opposition says that he is in favour of the worker; he is in favour of expanding opportunity to students from low socioeconomic status backgrounds; but he said that he opposes the very reforms that will expand opportunity to many other Australians, particularly young ones.

But the Leader of the Opposition does have a bit of form on this. He has a bit of form on inconsistency. Before 2007, Labor tried to convince the Australian public that they supported the Howard government’s policies on border protection. Between 2008 and 2013, they allowed 50,000 unauthorised arrivals into Australia after dismantling those very same policies. Since the 2013 election, they have tried to take credit for stopping the boats. Initially they said it was their policies that stopped the boats. Now, today they want to tip their hat to the green left friends, the green left allies—

Mr Burke: Madam Speaker, I rise on a point of order. There are some really good reasons why the Minister for Education will not want to talk about higher education today, but what he is going on with now has nothing to do with his portfolio—nothing.

The SPEAKER: There is no preamble to the taking of a point of order and the Manager of Opposition Business knows that. The minister has the call but will return to the question.

Mr PYNE: Thank you, Madam Speaker, and I will. I am merely pointing out that ‘Bob-each-way Bill’ wants to have it both ways when it comes to higher education and border protection. ‘Bob-each-way Bill’ wants to be on the side of the people smugglers and the side of stopping the boats at the same time, and it is not possible for him to do so.

The SPEAKER: The minister will refer to members by their correct titles.

Mr PYNE: I most certainly will. Whether it is school funding, ripping $1.2 billion out and claiming to have put more money in; whether it is backing Diana Asmar for the HSU election or giving money to Marco Bolano to run against her; whether it is being in favour of the mining tax in Canberra but against it in Perth—in favour of Kevin Rudd, against Kevin Rudd; in favour of Julia Gillard, against Julia Gillard—’Bob-each-way Bill’ has to start showing some consistency. (Time expired)

Mr Burke: I rise on a point of order, Madam Speaker. At the end of that answer, the minister deliberately and knowingly defied a ruling you had only given moments ago.

The SPEAKER: No, there is no point of order. The member will resume his seat. I told the minister to return to the substance of the question and he did.

Mr Burke: You told him that he needs to refer to a member by their title.

The SPEAKER: Oh, correct!

Mr Burke: Seconds later, he deliberately defied your ruling.

The SPEAKER: The member will resume his seat. If the minister referred to someone, and I missed on that occasion, would you kindly refer to the person by his correct title.

Mr Pyne: Madam Speaker, if it assists the House, I withdraw. I will try next time not to flout your rulings about referring to the opposition.
Budget

Ms KING (Ballarat) (14:38): My question is to the Prime Minister. As page 7 of the Prime Minister's budget outlook shows, the Prime Minister has cut $80 billion from schools and hospitals. How is this fair?

Mr ABBOTT (Warringah—Prime Minister) (14:38): The figure that the member for Ballarat cites was not in a Labor budget. There were unsustainable, undeliverable, pie-in-the-sky promises that were only made by the former government because they knew they would never be called upon to deliver them. Let us make it absolutely crystal clear for the umpteenth time: under this government public hospital funding increases every year; under this government health spending increases every year; and public hospital funding goes up nine per cent this year, nine per cent next year, nine per cent the year after that and six per cent in the fourth year.

Ms King interjecting—

Mr ABBOTT: The member opposite can bellow all she likes, but the fact is that public hospital spending and health spending go up every year. The difference is that our spending is sustainable in a way that the former government's was not, because this coalition government is tackling the debt and deficit disaster which members opposite are so rightly embarrassed about. They are rightly embarrassed about the debt and deficit disaster that they bequeathed to the nation that means that every single month we are now paying $1 billion in dead money that we should not have to pay. Just think how much better we could do when it comes to building new public hospitals if we were not wasting $1 billion every single month because people like the member that asked that this question were just out-and-out incompetent and utterly untrustworthy.

Budget

Mr HUTCHINSON (Lyons) (14:40): My question is to the Minister for Small Business. Indeed, it is wonderful to see small business represented in the cabinet. Will the minister explain how scrapping the carbon tax and fixing the budget will help the 7,800 small businesses in my electorate of Lyons?

Mr BILLSON (Dunkley—Minister for Small Business) (14:41): It was an excellent question from the member for Lyons. I know the three amigos from Tasmania all could have asked that. In fact, all of us on this side of the House understand how crucial and central small business success is to a strong economy and to vibrant, energetic communities. That is why we have to fix the budget mess that was left to this government by Labor. We have to deal with the debt and deficit.

As I travel around Australia, talking with small businesses, something that comes up is that they know they cannot pay their overdraft bill on their visa card. They know they just cannot keep building the debt and deficits in their operations and hope to be successful into the future. They know if they want to pass that business onto their family they cannot load it with all of this debt that denies opportunity and prospects into the future. They understand that, and that is why small businesses have said to me, 'Good on you for tackling the debt and deficit legacy that Labor's left behind.' For the local government representatives here, they know small businesses and family enterprises are the heart of so many economies. This is a message we hear everywhere we travel: 'Get on with the task of fixing the budget mess. We know you
didn't create it, but just as has happened so many times in history, Labor creates the mess and the coalition is left to fix it.'

So the Economic Action Strategy does that. It also lays the economic foundations to create more jobs to support small business success. ACCI has recognised this. They said:
The budget goes a long way to restoring all important business confidence that will drive investment and job creation, particularly for Australia's two million small businesses—

Now ACCI has had a lot to say as well about the carbon tax—a central element of our economic action strategy. They know the carbon tax has caused great harm and hardship to small business. They said it is one of the highest in the world. It is making our key industries less competitive. They said:
For small business especially, this has been a major burden that has reduced profitability, suppressed employment—

They have recognised that in this tough economic climate, so why make it harder? We have to get this carbon tax repeal bill through. I am encouraged by the noise coming from the Senate that this may well happen but I wonder if Labor is at all interested in restoring the 519,000 jobs lost in small business under Labor and whether they will care enough to get on board with the implementation of this Economic Action Strategy. We sit and celebrate Patty Mills and Aron Baynes with their contribution to the Spurs and the NBA, the Kookaburras, the Hockeyroos' efforts and the Socceroos in Brazil but, if we thought that they were carrying lead in their shoes to slow them down and impede their performance, no-one would think that was right and reasonable. But Labor thinks that is perfectly acceptable when it comes to applying a carbon tax that acts as a reverse tariff that makes it a difficult job creating opportunities and employment for small business. Get on board I say to Labor, or get out of the road while we restore those jobs lost under your administration.

DISTINGUISHED VISITORS

The SPEAKER (14:44): Before I give the call to the member for McMahon, I said yesterday that we would have many mayors and councillors visiting our chamber in the course of this week, and I would make, on a daily basis, those mayors and councillors welcome. Today I have to welcome mayors from my own neck of the woods. I welcome those mayors from SHOROC, the mayors of Pittwater, Warringah, Manly and Mosman.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Paid Parental Leave Scheme

Mr BOWEN (McMahon) (14:44): The Australian Industry Group has said that the Prime Minister's Paid Parental Leave Scheme should be 'abandoned'. Given the Prime Minister's own colleagues and the business community do not support his Paid Parental Leave Scheme, when will the Prime Minister finally abandon his unfair and unaffordable Paid Parental Leave Scheme?

Mr ABBOTT (Warringah—Prime Minister) (14:45): It is fair and it is affordable. It is fair because it delivers paid parental leave to the whole of Australia, not just to the public servants who work for members opposite. It is affordable because it is paid for by a modest levy on the 3,000 most profitable and largest companies in our country. So it is fair, it is affordable and it
is just. It should be delivered because we have promised it at not one but two elections, and it will be delivered under this government.

The logic of members opposite is that it is all right for public servants to be paid at their wage but somehow it is wrong for shop assistants, people working in small business and all of those decent, hardworking women working in the suburbs of Brisbane, Sydney and elsewhere and in regional towns. How can members opposite claim to be friends of the workers of Australia when they do not want female workers to get paid parental leave at their wage? How can they? Really and truly, why is it fair for the Leader of the Opposition's staff to get paid parental leave at their wage and not every other Australian? It is simply not fair.

Mr Burke: Madam Speaker, I rise on a point of order. I just refer again to the tone of the parliament. There are a number of issues that do not form part of the debate across this chamber between the government and the opposition. The Prime Minister has just unwisely crossed that line and I would ask him to reflect on it.

Honourable members interjecting—

The SPEAKER: There will be silence on my right and left. We will keep points of order to the standing orders and not to moral judgements.

Carbon Pricing

Mr O’DOWD (Flynn) (14:47): My question is to the Minister for Agriculture, whose alias is ‘the rumour buster’. Will the minister update the House on the impacts of the carbon tax on Australian agriculture? What action has the government taken to address these impacts and boost our international competitiveness?

Honourable members interjecting—

The SPEAKER: I call the Minister for Agriculture, and we will have some silence to hear the answer.

Mr JOYCE (New England—Minister for Agriculture and Deputy Leader of The Nationals) (14:47): Thank you very much, Madam Speaker, and it is good to see the polite nature in which you keep this chamber.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is flying close to the wind.

Mr JOYCE: I want to thank the member for his question. There were two parts to the question. The second part was about international competitiveness. It is quite simple: you have either cheap power or cheap wages. We are the party and coalition of cheap power and those on the other side are the party of the alternative strategy, which is not actually cheap wages but unemployment.

The first part of the question is about how the carbon tax relates to you through the day. If you wake up in the morning nice and early before the sun rises, as you do in the country, you turn on the light and you pay the carbon tax. When you go out to the kitchen and put on the kettle and get yourself ready, you are paying the carbon tax. When you turn on the shower and the pump turns on, you are paying the carbon tax. When you turn on the welder when you go out to work, you are paying the carbon tax. When you turn on the tractor, you are paying the carbon tax. When you go to the pie shop for a smoko, you pay the carbon tax. You might
get something else as well—maybe an insult from the Leader of the Opposition. If you are planting a crop, you pay the carbon tax. If you are putting cattle on a truck—

*Mr Shorten interjecting—*

**The SPEAKER:** The Leader of the Opposition will desist.

**Mr JOYCE:** when those opposite are in power, you are going to pay 6.85c a litre more. You are going to pay the carbon tax. If you send off those cattle to an abattoir— and I know you have 400 employees up there at a Teys abattoir in Biloela—you pay the carbon tax. It does no matter where you go, with this crowd opposite you will pay the carbon tax.

But I think there might be a glimmer of hope on the horizon because I have been listening to some others. I found out from an article by Rob Burgess that Mr Shorten is quite capable of a policy backflip. That was said by one of his colleagues. I thought that could not be right because a man of his integrity would never backflip! But I found out that back on 30 October 2013 he said that he would stand firm in his support for a price on carbon but told Jonathan Swan on 1 November that he would terminate the carbon tax. How could a person go from standing firm beside you to terminating you? What sort of character would stand behind you and then terminate you? That is a good question for the member for Fraser, who did stand beside Kevin Rudd but then terminated him. It is also a good question for the member for Sydney, who stood beside Julia Gillard but then terminated her as well.

Luckily Labor's Mark Butler has revealed that the party would look to build an alternative strategy. What is that alternative strategy? Is that alternative strategy the member for Sydney coming forward? Is that the alternative strategy? *(Time expired)*

**Fuel Excise**

**Mr SHORTEN** (Maribyrnong—Leader of the Opposition) (14:51): My question is to the Prime Minister. I refer to the Treasurer's commitment today to come up with regional modelling on the Prime Minister's new fuel tax. Why has it taken until today for the government to bother considering how much the Prime Minister's new federal tax will cost regional Australia?

**Mr ABBOTT** (Warringah—Prime Minister) (14:51): I will make three points in response to the Leader of the Opposition. First of all, fuel excise indexation was first introduced by the Labor Party. So how can they be so upset by something that they themselves invented?

The second point I make is that every single cent that is raised by fuel excise indexation will be hypothecated to roads, and that—and this is my third point—is a very good deal for country Australia.

**Mr Shorten:** I rise on a point of order that concerns relevance. I just asked the Prime Minister one question: why has he not bothered to model the hurt of his fuel tax until today?

**The SPEAKER:** There is no point of order. The Prime Minister has the call and will return to the question.

**Mr ABBOTT:** I was asked about country Australia, and I am explaining how this is a great budget for country Australia, because at long last, as a result of this budget, we duplicate the Pacific Highway, we upgrade the Bruce Highway, we upgrade the Midland Highway, and we build the Toowoomba Range crossing. This is a budget that delivers in spades for country Australia.
Carbon Pricing

Mr PASIN (Barker) (14:53): My question is to the Minister for the Environment. I refer the minister to correspondence from United Dairy Products, who operate two dairy processing facilities in my electorate. Given that United Dairy Products has calculated that the carbon tax has cost their business more than $800,000 to date, why must the carbon tax be repealed, and who is standing in its way?

Mr HUNT (Flinders—Minister for the Environment) (14:53): I want to thank the member for Barker. He is somebody who knows more than a little bit about fairness to farmers and rural and regional families. He knows this, because he grew up on the land. He knows this as the son of a farming family. He knows this because he actually represents a rural area with people who pay the carbon tax daily.

In particular, he raised the issue of United Dairy Products, which has a carbon tax bill to date of approximately $800,000. It has two plants within his electorate—Murray Bridge and Jervois. It has 100 employees, but it is not the only dairy that pays the bill. Murray Goulburn has a direct carbon tax bill of $2.5 million, plus electricity and gas. Fonterra has a direct carbon tax bill of $3 million, plus electricity and gas. Tatura Milk has a direct carbon tax bill of $666,000, plus electricity and gas. So this carbon tax—today, right now—is a continuing tax on milk and on dairy farmers, who, according to the Australian Dairy Industry Council, will pay between $1,000 and $3,000 per farm per year. So dairy farmers, who already do it tough, are being hit with a carbon tax not just on their production, not just on their family incomes, but also on the milk they produce. That is what the opposition is giving us.

But who is standing in the way of repealing the carbon tax. Only two days ago we heard some wonderful news. I want to go back to the statement from the member for Port Adelaide on Australian Agenda:

We do support the abolition of the carbon tax.

What a moment. One would imagine from that statement that they are going to vote for the abolition of the carbon tax. Well, next week you have the opportunity to make good on that statement—the abolition of the carbon tax—because the bills will be back before this House. But there was something else the member for Port Adelaide said in that interview. When asked about if the carbon tax was repealed he said:

We will obviously as an opposition have to take stock and over the next year or two build an alternative policy.

But this morning a little email fell into my hands, one that was sent to Labor Party members from the member for Port Adelaide. It said:

Actually, we have been arguing in the parliament for an emissions trading scheme ever since the election.

He says one thing to the Australian people on Sunday and another thing quietly this morning. They are completely confused. If they want to do something, get out of the way— (Time expired)

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:57): My question is to the Prime Minister. I refer to the Prime Minister’s previous answers that this is an honest
budget—and my favourite is that he said there are no broken promises. Prime Minister, how on earth can anyone ever believe anything you ever say again?

The SPEAKER: That question really is outside the standing orders. It is not a question of substance. If the Leader of the Opposition would like to redraft his question to put some substance into it he may do so.

Mr SHORTEN: I am happy to. I refer to the Prime Minister's previous answers in this question time, and yesterday, describing the budget as an honest budget—and my favourite is that he said there are no broken promises. How on earth can anyone ever believe anything this Prime Minister ever says again?

The SPEAKER: I am sorry. That is the same question. I call the honourable member for Eden-Monaro.

**Medicare**

Dr HENDY (Eden-Monaro) (14:58): My question is to the Minister for Health. Will the minister explain how the government is making Medicare sustainable? What support has been received for this approach in the past?

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (14:58): I thank the member for his question. I want to pay tribute to the member for Fraser, who, as everybody in this place knows, is the political love child of Bob Hawke and Jenny Macklin. He is a believer in the co-payment, because he wants to make Medicare sustainable, and we pay tribute to him again today. The Labor Party has had him in the witness protection program for the last couple of weeks. Come on down, member for Fraser.

Dr Leigh: I rise under standing order 68. The minister is welcome to say what he likes about my comments at university. If he wants to talk about the present, he might focus on what he said last year while campaigning for the election.

The SPEAKER: The problem with taking that point of order under standing order 68 is that it does not conform with the statement I made to the House. So there is no point of order and the Minister for Health has the call.

Mr DUTTON: Just to update the House with words that have been said well after the honourable member left university—

Ms Plibersek interjecting—

Mr DUTTON: If I were Tanya Plibersek, I would not be talking about health—if I were the member for Sydney. She was the worst health minister since Federation!

Mr Burke: Madam Speaker, I rise on a point of order. As is ordinarily the case with this minister, he is not referring to members by their title.

The SPEAKER: There is no prelude to a point of order. Just state the point of order.

Mr Burke: The minister should refer to members by their appropriate titles.

The SPEAKER: The Minister for Health will resume the call and will please refer to members by their correct title.

Mr DUTTON: Of course, Madam Speaker. The member for Sydney, of course, presided over one of the most shameful periods in Australian health policy. We will come back to the GP superclinics in time, so do not panic. We will detail more of your successes—open
paddocks that exist across Australia, vacant paddocks with patients turning up having read your press releases, but still no clinics are built. Years and years of promises. Labor wasted money. They wasted money and they refused to listen to the wise counsel of the member for Fraser. Bob Hawke promised the Australian people sustainability in Medicare and he said it was required by way of a co-payment. We have listened to that advice. We have looked at the fact that Medicare is unsustainable with an ageing population and with the onset of all of the chronic diseases that will present over the coming decades. We are determined to put more money into Medicare, and we do in this budget.

Ms MacTiernan interjecting—

The SPEAKER: The member for Perth will desist!

Mr DUTTON: If we want to make it sustainable, we have to make sure that the co-payment—$5 of which goes into the Medical Research Fund, $2 of which goes to doctors to help supplement the money they get from Medicare—

Ms MacTiernan interjecting—

The SPEAKER: The member for Perth is warned!

Mr DUTTON: That will make Medicare sustainable. We understand that Jenny Macklin, as she then was, was the author of a paper that was relied on by Mr Howard, the then health minister for Bob Hawke. History dictates that we have to do something sensible to reform Medicare, and we do it in this budget. Labor wasted billions of dollars in the Health portfolio. In this budget we provide Australia with a way to strengthen and sustain Medicare for decades to come. We are absolutely determined to clean up Labor's waste and get Medicare and health back on track. We increased hospital funding. We increased funding within the Health portfolio in this budget. We will do it in a way that will set up Medicare for a decade.

Budget

Mr NEUMANN (Blair) (15:03): My question is to the Prime Minister. Prime Minister, your government has cut over $500 million from Indigenous programs in the budget. Prime Minister, how is this fair?

Mr ABBOTT (Warringah—Prime Minister) (15:03): We are reorganising more than a hundred separate programs into five. That is why we believe that we can make modest savings in this area and still deliver more to the Indigenous people of our country. The trouble with members opposite is that they spent money but they did not get outcomes. That is the sad truth. When it comes to Indigenous affairs, more than most, they spent money without getting outcomes. This is a government which is determined to get outcomes. We are still spending the money but we are doing it more efficiently. In my portfolio alone, more than $2 billion a year is spent under this budget. In the Health portfolio alone, almost $1 billion a year is spent on Indigenous health. We will spend the money, but we will do it efficiently, we will do it effectively. That is what the Indigenous people of this country deserve.

Broadband

Mr RAMSEY (Grey) (15:04): My question is to the Minister for Communications. Will the minister update the House on the progress of the NBN's fixed wireless network? Why is it vitally important to rural and regional Australia to get the rollout back on track?
Mr TURNBULL (Wentworth—Minister for Communications) (15:05): I thank the honourable member for his question. Australians have always had to cope with the tyranny of distance. It is a vast continent and South Australia alone is a vast state. The honourable member's seat is the largest electorate in South Australia, representing most of the state. His constituents know very well—

Mr Champion interjecting—

The SPEAKER: The member for Wakefield has been warned. One more utterance and he is gone.

Mr TURNBULL: the problems of isolation that only modern telecommunications can resolve. When the South Australian government, back in 1870, decided to build the Overland Telegraph, they completed it in two years. The federal Labor government that preceded us announced in 2009 that they were starting construction on their broadband project. Indeed, the member for Adelaide announced that connectivity was imminent in her electorate, in Prospect. She said that part was next in line for the NBN. That was in 2010, and I can tell the honourable member that that particular precinct will be switched on in a few months. That has taken four years. At the time of the election, there was not one fixed wireless tower operative in South Australia—not one. Fixed wireless is absolutely vital because that is the technology that enables us to service the areas outside of the big cities where a fixed line solution is not viable, and of course, in addition to that, there is the satellite.

The remarkable thing about the Labor fixed wireless project was not only did they dramatically underestimate the number of towers and premises that would need to be covered—in fact, the NBN has calculated it will need nearly twice as many towers as the Labor government had estimated—but, more importantly, there were 80,000 premises in areas which had no spectrum at all. What was it going to be powered with? Was it going to be powered, driven by the charisma of the previous minister, Senator Conroy? Or, indeed, could it have been powered by the charm of the member for Grayndler? Who knows what sort of Conrovian physics would be able to allow new technologies?

Let me say that we have already in South Australia activated the first five towers, serving over 1,000 premises. Nationally, the size of the fixed wireless network has increased by 130 per cent since the election and the number of customers using it and paying for it—a focus from our part, not the previous government—has increased by sixfold to 15,000. Last month alone, the NBN started construction on fixed wireless sites in 43 locations. We are getting on with the job.

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:08): My question is to the Prime Minister. Yesterday during question time the Prime Minister said, 'This is the budget that the Australian people elected us to bring down.' When did the Prime Minister tell the Australian people before the last election that he would cut $80 billion from schools and hospitals, cut pensions, hit families with a GP tax, hit Australians every time they fill up their car with petrol?

Mr ABBOTT (Warringah—Prime Minister) (15:08): We said we would fix the mess. We said we would fix the mess, and wasn't there a mess—debt and deficit disaster stretching out
as far as the eye can see? Let's remind members opposite of exactly their own record: six budgets, the six biggest deficits in Australia's history and not a surplus in sight.

Mr Shorten: Madam Speaker, I rise on a point of order. It goes to relevance. I am just asking the Prime Minister when—what day, what time, when did he actually tell Australians about his—

The SPEAKER: The Leader of the Opposition will resume his seat. I am afraid simply repeating a question does not amount to a point of order on relevance. I call the honourable the Prime Minister.

Mr ABBOTT: In case the Leader of the Opposition has forgotten, let me remind him what this government promised repeatedly before the election. We promised that we would stop the boats, and the boats are stopping. We promised that we would scrap the carbon tax, and, Senate permitting, that will happen within a month.

Opposition members interjecting—

The SPEAKER: There will be silence on my left. It is sounding like the chattering classes.

Mr Abbott: We promised that we would build the road to the 21st century, and that is already happening. And we said we would get the budget back under control.

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition has asked his question and will desist.

Mr ABBOTT: Members opposite promised a surplus year in, year out.

Mr Hockey: Swannie! We miss you, Swannie!

Mr ABBOTT: The Leader of the Opposition even misused taxpayer funding, telling his electorate that a surplus had actually been delivered.

Honourable members interjecting—

The SPEAKER: There will be quiet on my right and left.

Mr Dutton: Take your medication. Go to sleep.

Mr Swan interjecting—

The SPEAKER: The member for Lilley will withdraw forthwith.

Ms Plibersek: Madam Speaker, I rise on a point of order. I am not sure whether I heard correctly, but I believe the health minister said, 'Take your medication' as an interjection. That is highly inappropriate.

The SPEAKER: If the Minister for Health had directed that particular remark to anybody, he might help the House by withdrawing.

Mr Dutton: If it helps you, I withdraw.

Opposition members interjecting—

The SPEAKER: I call the honourable the Prime Minister, who has the call, and we will have silence to listen to the answer—and that includes the Leader of the Opposition.

Mr ABBOTT: I am afraid members opposite are obviously coming to the end of their tether. This question time is obviously overtaxing members opposite. The Leader of the Opposition did not just promise a budget surplus; he claimed it had actually been delivered.
The Leader of the Opposition was a serial misleader of the Australian people. He was serially incapable of telling the truth. He did not tell the truth to Julia Gillard. He did not tell the truth to Kevin Rudd. He does not tell the truth to anyone. We said we would fix up the budget mess, and that is exactly what this government is doing.

**Defence**

Mr SIMPKINS (Cowan) (15:12): My question is to the Assistant Minister for Defence. Will the minister update the House on how the budget has supported the Australian Defence Force—

*Honourable members interjecting—*

The SPEAKER: The member will resume his seat. I cannot hear the question. Other members wish to listen to it. People listening to the broadcast wish to listen to it, and we will have silence while the question is asked. The member for Cowan.

Mr SIMPKINS (Cowan) (15:12): My question is to the Assistant Minister for Defence. Will the minister update the House on how the budget has supported the Australian Defence Force in developing Australia's youth? Are there any risks to the strategy?

Mr ROBERT (Fadden—Assistant Minister for Defence) (15:13): Let me thank the member for Cowan for his question and acknowledge his service to our nation in uniform. As a fellow military graduate from RMC Duntroon, he would be happy to know that not only is this graduating class today the 124th; but it has been 100 years since RMC graduates actually graduated from that august institution.

It has been a great pleasure recently to launch the ADF gap year, a key election policy from this side of the chamber, a policy we are proud of and a policy I had the privilege to recently launch at Mitchelton State High School with the member for Ryan and the member for Brisbane. We are proud of the ADF gap year because it is aimed at school leavers to give those young Australians the opportunity to experience life in the Defence Force and to learn skills that will, hopefully, help them get a job if not in the ADF then in the wider workforce in the country.

The program was conceived and it was begun during the Howard years. The gap year was and is again now a program that gives young people an opportunity—professional training, life skills, friends—so you would expect those opposite to support it. Unfortunately, that was not the case. In the early years of the last, wretched, government they had the good sense to leave it alone. You had the good sense to do nothing. But you couldn't help yourselves, could you? You turned Joel's—young, the member for Hunter's Force 2030 into Force 2045, you cut $25 billion from the budget and you cut the ADF gap year.

Mr Burke: Madam Speaker, on a point of order: I think it is unlikely the minister is attempting to attribute any of these issues to you, so he should speak through the chair.

The SPEAKER: The minister will address remarks through the chair and address people by their correct title.

Mr ROBERT: Madam Speaker, 53 per cent of those in the gap year went on to serve in the permanent active force. This is what you cut. A third of those who joined the gap year were women. That is what Labor cut. The most successful female recruitment program the ADF has ever run is what Labor cut. Forty-eight per cent of those young ladies that went into
the gap year then went on to serve either permanent or part time, yet the member for Canberra had the temerity weeks ago to attack us about challenges in recruiting women when the women recruitment levels have gone up under this government. Where were you, Member for Canberra, when the gap year was cut? Where was the member for Sydney when the gap year was cut? The most successful recruitment for women in the ADF—and where was the member for Sydney or the member for Canberra? Two-and-a-half-thousand young Australians have signed up to the gap year this time around and 35 per cent of them are young women.

We are proud to bring back the highly successful gap year. And I say to the Leader of the Opposition: it’s a shame you didn’t have a chance to do the gap year, otherwise you would have learned a thing or two about leadership.

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

PERSONAL EXPLANATIONS

Mr HUNT (Flinders—Minister for the Environment) (15:16): Madam Speaker, I wish to make a personal explanation.

The SPEAKER: Does the honourable member claim to have been misrepresented?

Mr HUNT: Yes.

The SPEAKER: Please proceed.

Mr HUNT: I wish to correct a statement attributed to me in an article in The Australian on 13 June 2014 entitled 'Farmers to win from carbon fund'. The article attributes a quote to me that farmers will take a fixed sum or proportion of the $2.55 billion Emissions Reduction Fund. No such figure was given by me. I have spoken to the journalist, who acknowledged this was added during the editorial process. I do not blame the journalist in question. What I have said is that farmers have enormous scope to participate in CFI projects under the Emissions Reduction Fund and they will play a significant and critical role.

MOTIONS

Iraq

Mr WILKIE (Denison) (15:17): I seek leave to move the following motion:

That this House:

(1) express its disapproval of any future deployment to Iraq of Australian combat forces;

(2) call on the Prime Minister to make a clear public statement today ruling out any future deployment to Iraq of Australian combat forces; and

Mr Nikolic: You don't rule out military options—you should know that!

Mr WILKIE: The motion goes on:

(3) call on the Government to instigate a Royal Commission into Australia’s involvement in the invasion of Iraq and subsequent 11 years of war—

Mr Nikolic interjecting—

The SPEAKER: The member for Bass.

Mr WILKIE: Madam Speaker, I would remind my colleagues that this is a deadly serious issue.
The SPEAKER: You have the call.

Mr Nikolic interjecting—

The SPEAKER: The member for Bass will desist. The member for Denison has the call.

Mr WILKIE: The motion continues:

and in particular the conduct of the main Australian protagonists for this unmitigated foreign policy, security and humanitarian disaster, including then Prime Minister John Howard and Foreign Minister Alexander Downer.

The SPEAKER: Is leave granted?

Mr Pyne: Leave is not granted.

Mr WILKIE: Then I move:

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

That this House:

(1) express its disapproval of any future deployment to Iraq of Australian combat forces;

(2) call on the Prime Minister to make a clear public statement today ruling out any future deployment to Iraq of Australian combat forces; and

(3) call on the Government to instigate a Royal Commission into Australia's involvement in the invasion of Iraq and subsequent 11 years of war, and in particular the conduct of the main Australian protagonists for this unmitigated foreign policy, security and humanitarian disaster, including then Prime Minister John Howard and Foreign Minister Alexander Downer.

There is an urgent need to suspend standing orders and address this issue. There is an urgent need to understand what Australia's intentions are at this point in time and, indeed, how we got ourselves into this mess in the first place.

There is an urgent need for this parliament to debate this matter. Someone listening to the broadcast today would think that this parliament has little interest both in what is happening in Iraq today and in the fact that we are part of the problem by the way that we joined in the invasion of that country 11 years ago. We are not talking about a third Iraq war. We are talking about perhaps the end game of the second Iraq war—the Iraq war that we helped to cause 11 years ago when we joined in the invasion of that country along with the United States and the United Kingdom.

There is an urgent need for this parliament to take a leadership role on this issue and to assure the Australian public that we are exercised by these matters. But if members of the community listened to question time today they would rightly believe that we think it is of little consequence, when there is no greater international problem or crisis than what is happening in the Middle East right now. The news services are reporting today that in the last 24 hours more towns in Iraq have fallen to the jihadists. The United Nations is reported as saying today that it is in fact true that hundreds of Iraqi civilians and service men and women have been murdered by the jihadists. The US is reported today as saying it will send hundreds of troops back into Iraq, not out into the bush where the jihadists might be but into the centre of Baghdad to protect the embassy. There cannot be a more telling and dramatic admission that that country is in crisis than the United States feeling the need to send hundreds of combat troops to the centre of Baghdad to protect their embassy.
There is an urgent need for us to debate and to address this issue. The situation is spiralling out of control terribly quickly. While the march of the jihadists might indeed be arrested over coming days, weeks and months, there is equally the prospect of a nightmare scenario. What if the jihadists are victorious and capture Baghdad, and Iraq becomes a terrorist state? What if Iraq fractures into any number of smaller unruly states? What if it becomes a failed state? What if Iran becomes heavily involved, backing the Shi'ah administration in Baghdad? What if Saudi Arabia becomes heavily involved, backing the Sunni insurgents? There is a broad range of nightmare scenarios that would make the 11-year-old Iraq war so much more of a disaster than it already is.

The parliament must address these issues. Everyone must come in here, including the Prime Minister and the foreign minister, and assure us that we will not again commit Australian troops to the conflict in Iraq. The community understands this, but it is not clear that the government understands this, that no good will come from Australian combat troops going back into Iraq. We helped to start, 11 years ago, a process that is continuing to run its course. We alone cannot arrest that course. Even if the United States, the United Kingdom and Australia were to recommit hundreds of thousands of troops—to what end? At best it would delay the day of reckoning—unless, of course, people are suggesting we form a new Roman Empire, that we go in there for a thousand years, which would of course be ridiculous. So do we go in for six months? Do we go in for 12 months? Do we go in for five years? Why would we do that? We will just delay the final reckoning.

In my motion I also address the issue of a royal commission. If the current crisis in Iraq should be doing one thing, it should be reminding us of the folly of Australia joining in the invasion 11 years ago and being such a part of the war for most of those 11 years. Let us not forget the history of this place. Eleven years ago the then Prime Minister and the then foreign minister made the pitch, the official case for war, that Iraq had a massive arsenal of weapons of mass destruction, that Iraq had active links with the broad Islamic terrorist network of Osama bin Laden. Within months the official case for war was debunked. Then how it changed. It became a humanitarian mission. Well, then, why didn't Australia push in the United Nations 11 years ago for a motion to intervene on humanitarian grounds? Of course it did not. Then it became about regime change, even though a week or so before the invasion the then Prime Minister said to the National Press Club that he could not possibly countenance an intervention which was to do with regime change.

This war was based on a lie. Anyone who still would disagree with that needs to read the history. This war was based on a lie. We recklessly started something that we should never have started. If there is one single most important reason why Iraq is on the cusp of collapse in 2014, it is that a small group of countries, including our country, invaded that country 11 years ago and started a war that has lasted for 11 years and then made mistake after mistake after mistake along the way—by dismantling their government and their administration, by dismantling their defence force, by doing just about everything we could do to create the environment for this potential end game that is being played out now.

So many important issues were covered in question time. So many important issues will be addressed by my colleagues in this chamber today. But what on earth could be more important than the fact that in a country somewhere in the world today perhaps thousands—I suspect certainly hundreds—of people will die. They will die because we, along with other
countries, created the circumstances for this anarchy. There could be nothing more important than us debating this. There could be nothing more important than assuring the Australian community, the vast majority of which 11 years ago opposed this war. Remember those protests in February 2003? Tens of millions of people took to the streets around the world. Hundreds of thousands, at least, took to the streets in this country. The then government ignored that. They cannot ignore the concern in the community now. Listen to the talkback radio. Look at the letters in the newspaper. Talk to the community in your electorate. There is no stomach in the Australian community now for us going back into Iraq. No good will come of it.

There is an urgent need for the government right now to rule out sending Australian combat troops back into Iraq. There is an urgent need now for the Prime Minister to clarify his comments of the last couple of days, which certainly left open the possibility of us replying with a yes to any US request for military assistance. Let the government and the Prime Minister be strong enough to stand up and say, 'Yes, there is a problem here. We need to look at it.' We need to have a proper inquiry, not with narrow terms of reference but broad terms of reference, as a royal commission, and find out why we got ourselves into this mess in the first place. Why did we contribute to the deaths of hundreds of thousands, if not millions, of Iraqis? Why did we help contribute to the creation of an environment in that country where it is now on the brink of collapse, where the administration in Baghdad might be victorious? It is equally possible that that regime will collapse, that we will have a terrorist state, and we will have a self-fulfilling prophecy. A place where there were no terrorists 11 years ago may well be taken over by terrorists, and we will be part of the reason for that, and that is shameful. We need to find out what went on. We need to hold people to account. We need to change our processes. And we need to make sure we do not make the same mistakes again.

The DEPUTY SPEAKER (Hon. BC Scott): Is the motion seconded?

Mr BANDT (Melbourne) (15:29): I second the motion. The invasion of Iraq was based on a lie and we should not put further Australian personnel in harm's way in furtherance of that lie. This motion must be passed and the standing orders must be suspended because this may be the only opportunity this parliament gets to debate the potential deployment of Australian troops overseas in Iraq. At the moment we have a lack of clarity about the government's intention and we also in Australia, unlike many other Western democracies, have no requirement for the parliament to debate and approve declarations of war or the deployment of our forces overseas.

Given the atrocities that people right around this country are seeing on their screens every day and every night and the urgent need in the Australian community to understand exactly what is happening and how best to respond, we have to have this debate to ensure that we avoid the mistakes of the past. If military intervention were a cure-all, we would not be seeing these atrocities now. We were told last time, on the basis of a lie, that invasion in Iraq and joining in would create a democracy in that country and would remove weapons of mass destruction—weapons which were never found.

People knew at the time—and we, the Greens, said this at the time—and people certainly understand now that we went to war on the basis of a lie. People want us to avoid making that same mistake again. What worries me greatly is that when it comes to requests for Australia to get involved in a war, this Prime Minister, like previous prime ministers, cannot seem to
say yes quickly enough. There is very grave concern amongst people that there will be a deployment of Australian troops and they will be put in harm's way when that might, in fact, make the situation worse.

If you want any indication of the folly of further military intervention there now, look at the fact that there is currently discussion underway about potentially having Iran as a partner in some military exercise. This is the state that we were told was part of the axis of evil and now, apparently, it is justifiable to openly consider working together with this state to intervene in Iraq. If that does not tell you the folly of believing that we here in Australia can assist in the peaceful resolution of severe and horrific problems on the other side of the world simply by military intervention, then nothing can.

This provides us with the opportunity to take stock. It provides the Australian parliament and the Australian community with an opportunity to say that a mistake was made back in 2003, mistakes have been made since then and we now realise that military intervention will not bring about democracy in countries like Iraq. I heard a 16-year-old former Iraqi refugee on the weekend say that she had watched as her schoolmates were arrested and then killed. She and her generation view Australia, the United States and our allies as an occupying force that is making things worse. As she, in tears, pleaded for understanding about what was going on and for assistance in defeating terrorist activity in her country, she also said: 'Please, do not believe that going in and invading will somehow help us. Just look at the history and understand that, if you want to help, help us create democracy, do not help us descend into another war.' There is a very real risk that, unless this motion is carried, Australia will make things worse.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:34): I appreciate the seriousness of the motion moved by the member for Denison and I appreciate the sincerity with which both he and the member for Melbourne have spoken on this matter. On behalf of the government though, I make it perfectly clear that, while this is a serious issue and there may well be a time for debate down the track about the whole issue of Iraq in the Middle East, today is not the day. There is government business and there is the matter of public importance that the government and the opposition, I am sure, wish to get on with.

We were not given any notice about this, not that I blame the member for Denison or the member for Melbourne for that. I say, with great respect to them, that today is not the day to suspend the standing orders to debate this motion. It places ministers and the government in a very difficult position, because no-one could speak to this motion without revealing the deliberations of the National Security Committee and other deliberations within the government at a time that is, as you have pointed out, extremely sensitive and serious in Iraq. The government will not be supporting this motion. I will not delay the House any further.

The DEPUTY SPEAKER (Hon. BC Scott): The question before the chamber is that the motion be agreed to.

A division having been called and the bells having been rung—

The DEPUTY SPEAKER: As there are fewer than five members on the side of the ayes in this division, I declare the question negatived in accordance with standing order 127. The names of those members who are in the minority will be recorded in the Votes and Proceedings.
Question negativated, Mr Bandt, Ms McGowan and Mr Wilkie voting aye.

AUDITOR-GENERAL’S REPORTS

Report No. 41 of 2013-14

The DEPUTY SPEAKER (Hon. BC Scott) (15:40): I present the Auditor-General’s performance audit report No. 41 of 2013-14 entitled, Commercialisation Australia Program: Department of Industry.

Ordered that the report be made a parliamentary paper.

COMMITTEES

Joint Select Committee on Northern Australia

Membership

The DEPUTY SPEAKER (Hon. BC Scott) (15:41): I have received a message from the Senate informing the House that Senator Waters has been appointed a participating member of the Joint Select Committee on Northern Australia.

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:41): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Budget

The DEPUTY SPEAKER (Hon. BC Scott) (15:41): Madam Speaker has received a letter from the honourable member for McMahon proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The adverse impact of the budget on the Australian economy and on confidence.

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

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

Mr BOWEN (McMahon) (15:41): For the last month the Australian people have had the spectacle of a government in denial. No budget in living memory has been rejected so comprehensively by the Australian people as this budget has been. Yet the government simply does not get it.

The Treasurer defensively and plaintively gave a speech last week calling for understanding and explaining to the Australian people that, really, the budget is very fair. The Treasurer seems pathologically incapable of understanding the Australian people's anger over this budget. But the truth is that the Australian people understand this budget better than the Treasurer does. They understand that it is fundamentally an unfair document. They understand that it is fundamentally a document based on deceit—the deceit of the Liberal and National parties at the last election.
The Treasurer arrogantly lectures people in a way that makes Peter Costello look humble. He arrogantly lectures people about the need for cuts and the difference between 'lifters' and 'leaners'. This Treasurer has been telling people that the age of entitlement is over and saying that he is astounded at the reaction of people who do not approve of Australia's patients being forced to pay $7 to go to the doctor if they are sick. He is astounded by the reaction, he says.

Yet at the same time we have seen that he does not even understand the details of his own policy. We saw him on the ABC a few weeks ago, just after the budget, fundamentally getting the details wrong about his own budget and then not even having the good grace to admit it when asked about it in this House. I have seen some speculation that members opposite have been saying, off the record, that the Treasurer is not selling the budget very well. I concede that he is not a very good salesman of the budget but the problem goes much deeper than that: it is fundamentally a bad budget.

We know it is a bad budget for families. We know it is a bad budget for pensioners. We know it is a bad budget for the unemployed. We know it is a bad budget for apprentices. We know it is a bad budget for university students or people who aspire to go to university. We know it is a bad budget for all those people, but it is fundamentally a bad budget for Australia. It is fundamentally a bad budget for the Australian economy. It is the wrong budget for our times. It is a budget driven by a stale and sterile ideology, not by any deep thought about the needs of the Australian economy at this time.

The Treasurer says—and I agree with him, because I said it when I was Treasurer—that Australia needs a plan to deal with the transition away from the investment boom in mining. But this is a budget that does nothing to assist that transition and in fact makes it worse. It is not a budget that inspires confidence. If we are going to get investment in the Australian economy—right across the economy, not just in the mining sector—we need businesses that are confident in the future. And to have businesses that are confident in the future we need consumers who are confident in the future. But this budget, of course, has delivered the opposite.

Now, of course, the Liberal and National parties had a lot to say about confidence before the election, didn't they? We had the Prime Minister say that there would be an 'instantaneous adrenaline rush' to confidence if he was elected. Well, we have not seen an instantaneous adrenaline rush; we have seen a Mogadon blanket on confidence—far from what the Prime Minister promised. This was the most puerile part of the now-government's campaign. The most bankrupt part of their campaign was their campaign around the economy: 'Just elect us and everything will be all right', they said. The now Treasurer said that Australian consumers will 'unleash their balance sheets' on the very election of a Liberal-National Party government. Even after the election he said, 'It's going to be a great Christmas'—because the Liberal Party is now in charge, spend up big! How has that worked out? Consumer confidence is 16 per cent lower today than it was on the day the Liberal and National parties were elected to office in Australia—some adrenaline, some rush to consumer confidence!

And what has caused this decline in consumer confidence? Well, it is pretty clear. Just have a look at the June Westpac consumer sentiment survey. Westpac says:

The Index is still in firmly pessimistic territory …

… A very high 74% of respondents recalled news on 'Budget and taxation' with a wide majority viewing the news as unfavourable.
And it gets better. Westpac says:

That is the highest level of recall for this topic since we began running the survey in the mid-1970s, surpassing those seen during the GST introduction in 2000 …

So, this is a budget that has been noticed more than at any time since the records of consumer confidence were set. The verdict is in, and the verdict is clear. Dun & Bradstreet conducted a survey: the financial stress index has shown financial stress levels increasing by almost a third since the September election. We saw consumer confidence decline and financial stress go up. Another Dun & Bradstreet survey says that 59 per cent of Australian businesses believe that this federal budget will make it harder for them to conduct their business—and that is right across the country. In the June quarter we saw only 29 per cent of Western Australians expecting the Western Australian economy to improve over the next 12 months, down from 48 per cent just last December. And this was a survey undertaken in the lead-up to the federal budget; this was a survey undertaken when all the speculation was out there about the Treasurer's cuts to services and increases in taxes, before they had become a reality. If this is the implication of the speculation, let us just imagine what the impact of the reality is on consumer confidence.

So, this is a bad budget when it comes to the economy, because 50 per cent of the economy is made up of consumption, and if you have consumer sentiment so low, so battered by the actions of this Prime Minister and his arrogant and out-of-touch and blustery Treasurer, then you are going to see an impact on the budget. You are going to see an impact on the budgets of the states. We saw that play out again today in New South Wales despite the pathetic denials of the Prime Minister at question time. And you are going to see an impact on family budgets. There is no budget emergency that this government did not create for the states or for the families of Australia. Their own budget creates budget emergencies right across the country. It is being reflected in consumer confidence and it is being reflected in the statements of every state premier and treasurer right across the country.

This is a budget that is fundamentally bad for the economy of today, and it is fundamentally bad for the economy of tomorrow as well. There are a lot of cuts in this budget that this side of the House objects to and objects to strongly as unconscionable. But there are some cuts that are just plain dumb, that are short-sighted and that are against our economic advantages as a nation. Cutting $111 million from the CSIRO must be one of the dumbest things any Treasurer has ever done. This is about the future of our nation, about being an innovative economy, about being an economy based on research and—heaven forbid!—science. Heaven forbid we could have a government that believes in science. But the Prime Minister says that this is a modest cut—only $111 million to the CSIRO, he says. Australian businesses and Australian scientists know the importance of science and innovation and research. We have seen the abolition—not the cut, not the shaving but the abolition—of Commercialisation Australia. For every $1 that is invested by the Commonwealth through Commercialisation Australia we see $2 invested in the private sector gone, as a result of this government's policies. CRCs are getting an $80 million cut, Geoscience Australia—again, there are those pesky scientists!—are being cut by $16 million and the Australian Research Council is being cut by $75 million. They are all being sacrificed on the altar of this government, this Prime Minister and this Treasurer and their stale ideology based on a different time. It is based on a time when the age of entitlement was considered a threat to the
Australian people, not when the age of entrepreneurship, the age of science and the age of research and innovation could be embraced for the best interests of the Australian people.

There is a need to return the budget to surplus, but the best way to return the budget to surplus is to grow the economy through thinking in a way that embraces innovation and entrepreneurship, not the stale and negative cuts, not the demonisation of fellow Australians that this Prime Minister specialises in—the demonisation of unemployed people and the demonisation, dare I say it, of Australia's pensioners, who have done nothing wrong except work hard for their entire working lives and pay their taxes and are now insulted by a Prime Minister of Australia who stands there and denies that there are cuts to their pension, who does not realise that the pension is the primary source of their income, the way they put food on the table, the way they make small contributions to their families and their grandchildren. No, the Prime Minister just does not get it. The Treasurer does not get it. They do not get the anger right across Australia, including rural and regional Australia, at their wrong priorities, their warped priorities and their values, which are fundamentally rejected by the Australian people.

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (15:51): The member for McMahon wrote a letter today. The member for McMahon wrote me a letter about paid parental leave. He did not write me a letter back when I wrote to him about GrainCorp last year. In fact, he just left it on the table.

Mr McCormack: I was what? I was wrong? I do not think I was wrong. I wrote you a letter asking for your response and you never bothered to reply. But that is not uncommon in Labor, because they did not often reply to a lot of things. They did not often reply when people wanted them to rein in expenses, to rein in the debt and the huge deficit that our country was being left with.

Dr Leigh: Tell us about the letter.

Mr McCormack: Well, he wrote me a letter about paid parental leave.

Dr Leigh: What did he say you should do?

Mr McCormack: Yes, I received a letter about paid parental leave today. I hear the shadow minister. If he will just be quiet, I will tell him about the letter. The letter was talking about paid parental leave and asking for me to have a meeting with him. I will have a meeting with you, member for McMahon. I will happily have a meeting with you. The paid parental leave is going to be a productivity measure. He talked about the fact that there would be more people gaining a benefit in the Prime Minister's electorate than there would be—now he leaves the chamber. You should stay and listen because then you can avoid having a meeting with me! You should stay and listen. You might actually learn something. No, that is typical—he walks away. He talked about the fact that there would be more than 400 Riverina families who would benefit from the paid parental leave. Therefore, what is so wrong with people getting a benefit?

I have to say: Labor continually talk about the pension being stripped away. Well, I would ask the member for McMahon to ask the pensioners in his electorate if any of them are receiving a pension cut. In fact, the pension will continue to increase. We heard the Prime Minister say it again and again in question time today, but obviously the member for
McMahon was not listening. The pension will continue to increase twice each year to keep up with the cost of living. In March this year the pension rate increased by a maximum of $15.70 a fortnight for single pensioners and $11.90 a fortnight for each member of a couple. The amount of the pension will increase again in September. We heard the Prime Minister say it will increase again twice next year, twice the year after.

The trouble with Labor is they are not listening. They did not listen in six years when they were on the Treasury benches and they fail to listen now. They do not have a plan for the future; they have a plan for the past, though. That plan is to eradicate 7 September from last year's calendar. They have a plan to say that 7 September, election day last year, did not occur. They have a plan to say, 'No, no, no—we're still in power, we're still running the show. Let's keep this age of entitlement going. Let's keep the welfare going up and up and up. Let's keep regional Australia where they belong—absolutely feeling like second-class citizens.'

We are getting on with the job of building the roads of the 21st century. We have got on with the job—and we are doing it again and again—of stopping the boats. We are getting on with the job of paying down Labor's debt, which, if left unchecked, would be $667 billion. There is $1 billion a month in interest payments that would build, as the Treasurer said today, teaching hospitals. We would have fantastic teaching hospitals if that money were spent where it ought to be spent. So many schools could be built on just the $1 billion a month we are spending in interest alone. We cannot keep maxing out the credit card.

The member for McMahon in his matter of public importance lead speech said we have talked a lot about surveys. He quoted a lot of surveys. Here is one for him: of the 17 top-surveyed International Monetary Fund countries, Labor left Australia with the fastest growth in spending of anyone in the world and the third highest growth in debt of any country in the top 17. There is a survey he can wrap his ears around. He talks about the adverse impact of the budget on the Australian economy and on confidence. Well, let me tell you: if there is any sap of the Australian confidence it is with the carbon tax. The carbon tax is costing each and every family $550 per year extra every time they turn on the power, every time they go to the supermarket, every time they drive their car. It is costing them $550 extra a year.

We heard in question time today about state parliaments. Today a good friend of mine, the Hon. Andrew Constance, the member for Bega—I know him well; we have been mates for a long time—showed what can happen when governments are not afraid to make tough decisions early. Andrew Constance is the new Treasurer of New South Wales in the Baird-Stoner government. Just as an aside, the carbon tax is costing the state of New South Wales, that fine state, $237 million a year, which should be being spent on schools, because at the end of the day states are responsible for schools. Newsflash, Labor: states are responsible for educating our kids. That is why they call them state schools. But they are also responsible for health. That $237 million would be far better spent on schools and on health.

When the New South Wales Nationals-Liberal government came into power they too inherited a mess. It was back in 2011. They had a debt which was out of control. Why would it have been out of control? Can anybody tell me why it might have been out of control?

Mr Nikolic: Too much spending, too much debt.

Mr McCormack: Too much spending, too much debt, I hear the member for Bass say—as well as 16 years of Labor governments. The Nationals-Liberal government under
Barry O'Farrell and Andrew Stoner inherited a mess. They followed a government which had lost control, but they did take some tough decisions early. They had to. While I must admit the debt and deficit problem our state colleagues inherited was nowhere near the projections of $667 billion that we have been saddled with—it is not just we; it is the taxpayers of Australia—no-one can argue that they did not get on with the job and make the tough decisions. Our state colleagues, with a strong Nationals team behind them, know how to grow an economy. They know how to grow an economy and they are doing it now in collaboration with the Abbott-Truss government.

It is in the DNA of Labor governments, whether here in Canberra or in Sydney, to borrow and spend beyond their means. Get these stupid campaigns on the back of beer coasters like NBN and pink batts and school halls that were overpriced beyond their means, and then expect future generations to pay for them. Inside Labor is a conviction to promise policies it knows it will never have to deliver, like it did with Gonski. Years five and six—that is where the big money was. But, under us, under the coalition, there is actually more money in the four years of the forward estimates.

Like the budget of our colleagues in New South Wales, our federal budget sets us on the course to get the debt under control. It sets the course to ensure the government can actually afford to build the infrastructure and services which underpin economic growth. It sets us on the course to ensure, just as the member for Bega in New South Wales aptly put it in parliament today, that the government is in control of its budget, and not the other way around. Just like our colleagues in Macquarie Street, we are going to get on with the job of making the tough decisions.

We know that those opposite, particularly the member for Maribyrnong, were plagued by the New South Wales disease in government—never quite sure who to pick as leader and more interested in the follies of factional fighting. They were navel gazing; they were inward looking. That is typical Labor: more worried about who is going to lead them and which faction is fighting which than about getting on with the job of governing—whether it is New South Wales and governing the state or whether it is federal and governing the nation.

What the New South Wales budget today also highlights is an understanding—an understanding etched into the minds of coalition members of parliament, particularly the Nationals—that strong regions make for a strong economy. When I say 'the Nationals', I should also include the rural Liberals. We have some good rural Liberals. I can see the member for Barker, the member for Durack over there, and the member for Paterson here at the table. They are good rural Liberals—getting on with the job of building the infrastructure that we need. We know that the regions produce the food, the fibre and the mining wealth that make this country great. That food, fibre and mining wealth were badly impacted by Labor's policies. Whether it was the Murray-Darling Basin fiasco or the minerals resource rent tax tax—no matter what it was, Labor stood in the way of us getting on with the job of generating growth, creating jobs for people and getting people, as this budget has done, to either earn or learn.

We on this side understand that investing in good country roads not only improves the safety and security of country commuters but assists in getting product to market. It is not only about helping commuters; it is about getting commerce happening. That is something Labor never understood in government and could not care less about in opposition. This
budget certainly delivers for country roads. Country roads are at the forefront of the $50 billion in infrastructure spending. I would argue that is as it should be. We are building, maintaining and improving our critical roads—the infrastructure arteries which keep our economy, our nation, moving. Whether it is the Bruce Highway, the Pacific Highway or the Warrego Highway, this government knows how crucial these roads are and will invest in making them better.

But it does not stop there. Our National Stronger Regions Fund, which will begin on 1 July 2015, is part of the strategy—our strategy—to make sure the regions are at the forefront of getting the nation's finances back in order and investing in growth for the future. Country people get that. Country people understand that you cannot spend beyond your means, country people understand that you cannot spend more than what you earn and country people, like coalition MPs, understand that we have to pay back Labor's debt so that we do not saddle future generations with far greater debt and deficits than they can manage.

(Time expired)

Mr KELVIN THOMSON (Wills) (16:02): This is a budget which is fundamentally unfair and it is a budget which was not taken to the Australian people. Why didn't young people get to decide at the last election whether they wanted to vote for higher university fees? Why didn't the elderly get to vote on whether they wanted their pension indexation cut? Why didn't the schoolteachers and parents get to vote on cuts to investment in education? Why didn't the sick get the chance to vote on whether they should make an extra $7 payment in order to see a GP?

The fact is that this government has hurt confidence in our economy. This budget sends a clear message that, if you are doing it tough, if you are a young person, if you lose your job, if you are long-term unemployed or if you are a pensioner, you are on your own. It is little surprise, then, that consumer confidence is now 16 per cent lower than when this government came to power—16 per cent lower. This government sounds eerily like those Vietnam era generals: 'We had to destroy the economy in order to save it.'

The post-budget collapse in confidence has been sustained. In commenting on the Westpac-Melbourne Institute consumer sentiment index data for June, Westpac senior economist Matthew Hassan said:

A very high 74 per cent of respondents recalled news on 'Budget and taxation', with a wide majority viewing the news as unfavourable. That is the highest level of recall for this topic since we began running the survey in the mid-1970s …

This is happening at a time when growth in wages is struggling to keep up with the general increase in the cost of living and households remained worried about their jobs.

The release of the Dun and Bradstreet quarterly consumer financial stress index provides further evidence that the government's woeful budget sell has fuelled a collapse in consumer sentiment and a rise in financial stress across the country. The financial stress index shows that Australian financial stress levels have risen by almost a third since September last year. The ANZ-Roy Morgan consumer confidence survey found confidence began weakening noticeably three weeks before the budget, when government leaks about it started, and fell over the next four weeks by 14 per cent—the steepest decline over a four-week period since the series became weekly in October 2008.
It is incredibly foolish for this government to talk down the Australian economy, hysterically claiming that we have a ‘budget emergency’. The fact is that Labor left behind an Australian economy that was fundamentally strong—low inflation, low interest rates, net debt peaking at just one-seventh of the level of the major advanced economies, and a AAA credit rating. Make no mistake: this Treasurer has been talking down the Australian economy ever since he was in opposition. He compared Australia’s sovereign debt risk to that of Greece and has seriously exaggerated Australia’s debt and financial position—when the reality is that the Australian economy has been one of the strongest in the developed world.

A core element of the Treasurer’s talking down of the economy and of his scare campaign—one much beloved by the right of politics as a way of conjuring up fear about our social safety net—is regular expressions of concern about workforce ageing and the accompanying idea that a diminishing number of workers is going to be left with the burden of carrying a population grown old and grey. This kind of thinking and rhetoric lies behind government proposals to increase the retirement age and reduce the incomes and support being received by pensioners and retirees. It is true that the workforce is ageing. What is not true is that this is a problem. In fact, even 50 years from now we will have a higher participation rate than we had as far back as 1966—when there was no talk of a small workforce carrying the burden of a large out-of-work proportion of the population.

Our economy has weathered the global financial crisis in good shape. The greatest threat to it comes from a collapse in confidence precipitated by the austerity measures in this fundamentally unfair budget.

Mr Fletcher (Bradfield—Parliamentary Secretary to the Minister for Communications) (16:06): The proposition that Labor is advancing in this matter of public importance discussion this afternoon is that the budget has had an adverse impact on confidence in the Australian economy. It is true that the words of the Treasurer in the 2014-15 budget speech recently did not match the sweeping, the soaring, the inspirational rhetoric that we heard from the previous Treasurer in May 2012, when he said:

The four years of surpluses I announce tonight are a powerful endorsement of the strength of our economy …

In an uncertain and fast-changing world, we walk tall—as a nation confidently living within its means.

Didn’t the pride swell in our collective breasts that our national economic performance was in such fine hands—the hands of the then member for Lilley. Everything was going so terrifically well. If the rhetoric was so good, surely Swanny’s performance would have been even better. It sounded so great as he was speaking; all of us felt that wonderful sense of confidence he talked about. It did require a $45 billion turnaround in just one year, from the $43 billion deficit he was on track to deliver to the $2 billion surplus he was claiming, but if Swanny said it could be done, of course it could be done.

How did he perform against that inspirational rhetoric that had us all feeling so proud? What did he deliver? Surely not, it cannot be right—a deficit of $19 billion, in the very year he promised a surplus. And what about the surplus after surplus that was supposed to follow? It was a deficit of $50 billion in 2013-14. Surely not, Swanny.

Is it true that the budget that the Abbott government and the member for North Sydney have brought forward in May 2014 does not quite match that sweeping rhetoric, does not
promise perhaps the same almost impossible deliverables? It does not promise impossible deliverables because, as we have seen, when you promise something that is impossible to deliver, you end up with quite a lot of egg on your face. What we have produced, by contrast, is a credible plan forward—a path to reduce the deficit year after year, so by 2017-18 we will have a deficit which is projected to be a mere $2.8 billion. We have a steady and credible path back towards where we need to get, and I might add it is a credible plan from the side of politics that has the track record—the side of politics that in 1996-97 inherited a $6 billion deficit and turned that into a steady stream of surpluses year after year through a calm, consistent, credible performance. That is what confidence in the economy is about; that is what is going to persuade the Australian people that you have the economic management team—the Prime Minister, the Treasurer and the Minister for Finance in the Abbott Liberal-National government—that is on the case to deliver a credible plan to return our economic position and our budgetary position to where it needs to be.

Of course we could follow the alternative plan that we have heard yet again from the member for McMahon this afternoon—an alternative plan which essentially says not to worry, let's do nothing about it, there really is no problem here, everything is fine, keep moving, nothing to look at here. The member for McMahon suggested that perhaps innovation and entrepreneurship was the solution—we did not have to worry about getting the budget or the deficit under control because innovation and entrepreneurship and a bit more vision from this side of the parliament would apparently solve the problem. The irony of this is rich—this is from the very same Labor Party that under the member for Lilley, in the sad and regrettable days when he was Treasurer, killed off employee share ownership plans in 2009. If there is one complaint that we hear more than any other from the innovation and entrepreneurship sector of the economy, it is the absence of employee share ownership plan arrangements to allow companies here to be competitive with companies in other parts of the world—all because of the ill-judged actions of the member for Lilley back in 2009. On this side of the House we have a clear, credible, deliverable plan which is going to produce the right outcome, and that is the way to maintain and build the economic confidence of the Australian people.

Ms VAMVAKINOU (Calwell) (16:11): Credibility is very important in this debate and that is why the comment made by the Prime Minister that 'This is the budget that the Australian people elected us to bring down' is such a breathtakingly arrogant statement. It reflects how out of touch this government is with community sentiment but it also reflects, more importantly, a disregard for the Australian people. Saying one thing before the election and then doing another, as is reflected in the broken promises of this budget, is insulting enough but to turn around and assert that this is what people voted for is downright offensive. It is particularly offensive to the people in my electorate who have been very hard hit by the measures in this budget. My electorate has a long history of socioeconomic disadvantage—it is in the top 10 most disadvantaged electorates in the country. My residents have been particularly hard hit by the closure of the automotive manufacturing industry, Qantas's ruthless decision to move jobs offshore and the continued onslaught of the rising cost of living. By no stretch of the imagination are pressures on low- to middle-income families and the erosion of consumer confidence conducive to economic growth.
The Abbott government promised to turbocharge consumer confidence but what we saw in the lead-up to the May budget was the exact reverse, with the Treasurer making it clear in his own words that these budget measures were about hitting household consumption. That inevitably means that pensioners, students and families relying on basic services and payments to get ahead will suffer—and so will the economy. If households do not spend, business will continue to sit on the sidelines and the economy will be unable to fill the gap left by rapidly falling investment in the mining sector. The release of the Dun & Bradstreet quarterly Consumer Financial Stress Index has shown, as the member for Wills mentioned, that Australian financial stress levels have risen by almost a third, to 18.7 points from 13 points in September last year. Low- and middle-income households are reeling from this budget through the new GP tax, the petrol tax increase, cuts to the pension and cuts to family benefits. The Dun & Bradstreet Business Expectations Survey report comes on the back of consumer confidence collapsing to its lowest level in nearly three years.

With mining investment in steep decline, the economy is desperate for other sources of growth. That growth should come from other areas of the economy and, in particular, from science and innovation. Instead of putting a plan in place that will underpin future growth and productivity, this budget takes a baseball bat to education and innovation funding. The massive cuts to the major science and research agencies of at least $878 million come on top of more than $5 billion slashed from higher education. The cuts to the CSIRO, totalling about $111 million, add to the obvious penchant this government has for slashing innovation, research and education.

This budget means big job losses, a range of missed opportunities and the tragic loss of scientific expertise through an inevitable brain drain. None of this augurs well for the Australian economy. The government is oblivious to its responsibility to invest in its people in order to secure future economic growth and the creation of jobs through the innovation economy.

Australia's capacity to nurture high-tech start-ups has suffered a massive blow. The budget completely abolishes Commercialisation Australia, Enterprise Connect, the Enterprise Solutions Program, the Industry Innovation Precincts Program, the Innovation Investment Fund, Australian Industry Participation plans, and textile, clothing and footwear industry co-investment.

Mr Dreyfus: There's not much left!

Ms VAMVAKINOU: There is not much left. That is absolutely correct.

The Abbott government's abandonment of Australia's advanced technology companies and emerging industries puts thousands of jobs in the sector at risk by adversely affecting the economy. My electorate has lost thousands of jobs, especially in manufacturing. It relies, therefore, on government to invest in innovation, skills and education. This government's budget has shown no commitment or interest in such investments. As such, it has been and is detrimental to the Australian economy. (Time expired)

Mrs ANDREWS (McPherson) (16:16): When I first saw today's MPI, I actually had to stop and reread it a couple of times. I did so because it was clearly difficult to comprehend how Labor could even string these words together without physically collapsing under the weight of their hypocrisy. I am sure that most Australians listening would agree with that and
would shake their heads in utter disbelief. Then I thought maybe I was in a time warp; maybe I had been caught up and was somehow back in the last parliament—or even the parliament before that—because it was the budgets of the 42nd and 43rd parliaments that really brought home the bacon when it came to having an adverse impact on the Australian economy and on confidence. They were of a standard that eclipsed even the largesse and dodgy economics of the 1970s Whitlam era so beloved by those opposite and so lamented by the Australian taxpayers who lived through that dark time in the history of Australia.

Between 2008-09 and 2012-13, members opposite delivered a succession of budget deficits totalling $191 billion. The member for McMahon and the Leader of the Opposition were right there on the front bench all along, absolutely complicit in Labor's economic hatchet job. The figures do not lie. In less than six years Labor spent $191 billion dollars—191 thousand million dollars—most of it borrowed from overseas. What is worse, they left structural deficits totalling another $123 billion over the next four years. The fact is that Labor's budgets continue to have an adverse impact on the Australian economy day in and day out. They cost us $12 billion every single year in interest payments—more than $33 million every single day. That is $1,375,000 per hour, $22,917 per minute or $382 per second. So, in the time that it would take the Leader of the Opposition to draw breath, the debt that has been racked up in interest payments alone is over $1,000. That is a serious adverse impact on the economy and a massive drain on our nation. It is taxpayers' money wasted—money that we will not get back—and we continue, as taxpayers, to foot the bill for Labor's mismanagement. Imagine all the good we could do with $33 million a day, every day of the week. Instead we are borrowing money to pay back that debt—the interest on Labor's debt, which adds even more to the mess Labor left behind and which is an ongoing burden on our economy and our confidence.

But I am pleased to say the 2014-15 budget begins the repair job that is so necessary to change all that and ensure a stronger economy in the future. It is all about taking the tough decisions to rein in spending, invest in nation-building infrastructure and ensure continued economic growth. It is about working towards the surplus that Labor promised but never delivered.

While it is hard to believe from their recent actions that Labor used to think a balanced budget was a good thing, they did. After all, they promised a surplus all the time. Remember how many times Kevin Rudd promised a budget surplus during the 2007 election? Remember how Wayne Swan stood in this place, budget after budget, promising that Labor would return to surplus in the near future? Remember his last budget that was supposed to deliver just a sliver of a surplus? It ended up being a massive $50 billion deficit—a $50 billion hit to the economy. Talk about an adverse impact!

But at least Labor used to recognise that a balanced budget was worth aiming for, even if they always fell well short of the mark. Now Labor are eerily silent on balancing the budget. In fact, they are pretty much bereft of any plan to fix their budget mess to secure economic growth. If anything is having an adverse impact on the Australian economy and confidence, it is Labor's fearmongering about the budget. If anything is causing uncertainty, it is Labor irresponsibly blocking important savings measures in the Senate; it is Labor standing in the way of letting us clean up the mess they left behind. It is Labor refusing to scrap the carbon and mining taxes to boost confidence.
This eye-wateringly hypocritical MPI today really, truly sums up everything that is wrong with the 2014 version of the Labor Party. They just do not get it. They do not get how responsible government works. They do not get that debt and deficit is a drag on the economy. They do not get that a balanced budget is crucial for a stronger economy. They do not get that the tough measures they now oppose are necessary as a direct consequence of their own incompetence. Or perhaps they do get it, but they are just playing politics rather than acting in Australia's national interest. (Time expired)

Mr GILES (Scullin) (16:21): I rise to speak on the matter of public importance. I am pleased to have the opportunity to speak once more on this budget in this place, as I have been in my electorate in the week between the sittings. Let everyone in this place be very clear: people in Scullin have no confidence in this budget nor in this government's twisted priorities. So I am very pleased to have the opportunity to speak on this genuine matter of public importance.

The budget is, of course, cruel. It divides Australians into lifters and leaners and into haves and have nots. Importantly, it is also uncertain and incoherent. So we see the rhetoric of emergency and of tough decisions while there are also big, unjustifiable spends—most obviously, paid parental leave. We see the confidence-sapping gap between the pre-election promises that the government so solemnly issued signed by our Prime Minister, who talked so much about lifting standards in politics and public life, and today's reality, the reality of the broken promises now facing Australian businesses and Australian families. It is damaging our economy just as it fragments our society and indeed Australia's social fabric. Perhaps this is why the Treasurer always looks so annoyed and tired when he is held to account or even, in fact, when he is asked Dorothy Dixers. He produces that world-weary sigh that we are not worthy to hear his words of wisdom.

Mr Nikolic: It is the sound of confidence.

Mr GILES: We have not heard much about confidence from your side and I do not think we will, Andrew. It is astonishing how yesterday members of this government, including the Treasurer, started to talk about the equitable nature of the budget. Putting aside for one minute the ludicrous nature of this claim, it is telling that it was made. It was another distraction. But it was yesterday's distraction; it has been forgotten about today because the budget is a failure in its own terms. Yesterday the Prime Minister said, 'This is the budget the Australian people elected us to bring down.' Really? Consumer confidence has collapsed since the budget was announced. It is at its lowest level for three years. That is not much of an adrenaline charge; it is more like a sedative. I am sure that members opposite have not been selling the budget assiduously in their communities.

Mr Nikolic: Absolutely, every day!

Mr GILES: I doubt that. As the member for Wills and the member for McMahon touched upon earlier, and as members opposite seem oblivious to, the Westpac and Melbourne Institute data supports what people in Scullin have been telling me. Not only is confidence low, this is clearly driven by an informed response to the government's priorities as set out in the budget. Westpac and the Melbourne Institute have found the highest level of recall amongst respondents for news in the budget and taxation category since the 1970s—higher than in respect of the introduction of the GST. Unsurprisingly, the view of respondents is overwhelmingly unfavourable. Who would have thought! Today, ANZ-Roy Morgan research
referred to in *The Sydney Morning Herald* shows consumer confidence today at 11 per cent below where it was before the budget—that is, 11 per cent below before the Economic Action Strategy, as we are now told to refer to it.

As the previous speaker did not seem to understand, people in Scullin get it and Australians get it. They understand that this budget is not a repair job. It is a con job, but not a very good one. It is asking those with the least to do the most, while doing nothing for Australia's economy. This is an issue that the Minister for Small Business did not touch upon: a majority of businesses are concerned about the impact of the budget on how they will fare.

The pressure on living standards is of course a major concern. Work insecurity compounds anxieties in this regard, as does the slow pace of wages growth. Whatever ideologically-charged ministers may say in this regard, the evidence is once again clear: we are a long way from a wages explosion and most workers are struggling to keep pace. There is no shining light on the jobs front, of course, but we do not have a jobs plan, just a commitment to punish young workers. It is shameful. Financial stress is hurting consumer confidence and constraining consumption. We need a plan to manage our transition to a sustainable economy for the future, and the Treasurer's blind faith and overblown rhetoric and bluster offers nothing less than nothing, really.

A government interested in growing our economy and boosting productivity would be investing in our cities, not retreating from the challenge of supporting these great engines of our economy where over eighty per cent of economic activity takes place. It would be listening to suburban families grappling with real budget emergencies. It would be boosting investment in science innovation, not cutting it to the bone, and it would have a vision for the future, not simply an aspiration to build a better yesterday tomorrow. Calling the budget an economic action strategy does not generate economic activity and it does not change the fact that this government has no plan and is reaping the cost of its relentless negativity. *(Time expired)*

Mr LAMING (Bowman) (16:27): I rise to speak on the matter of public importance. We have had six years of the Labor experiment where the notion was that the bigger and busier a bureaucracy, the better this nation would be. Look where it left us. I know today has been somewhat of a battle between two sides of politics' talking points, but I think Australians really do get that where we were heading was simply unsustainable. They get that no matter how good the party was last night, and we do not quite know who was responsible, this side of politics is going to clean up the situation. It is not easy to do. There are tough decisions. It is quite easy to see individuals over on the Labor side of politics wandering around like roving complaints desk managers looking for anyone who has a grievance and trying to talk it up. They are like the ronin from medieval Japan, wandering around like lost samurai without masters hoping that someone has got a whinge. For six years that lot never saw a special interest they could not fund, but it has all come home to roost, hasn't it?

Let us be honest, in 2009 good people in Treasury said in MYEFO, when they relied on trim inputs which were overly reliant on US inputs, that there genuinely was the risk of a five per cent drop in our GDP. Of course that proved to be wrong. The mistake was not made in 2008 when Wayne Swan initiated the first one to two per cent of GDP stimulus. The mistake came in 2009 when the then Labor government was too embarrassed to admit that the new Treasury figures showed that there would be no recession whatsoever in Australia. Did they
take the foot off the accelerator? No. That was the crime for which we now pay the price as an Australian nation. That was the crime that leaves us looking at the weeping sore of unpaid debt that this nation somehow has to deal with. The debt of $667 billion, as articulately put by my neighbour here, is an enormous amount of money for which Labor opposite has never contemplated a solution.

We will address it systematically and methodically. It will not be easy and, yes, it means tightening belts. I am inspired when I talk to people in my electorate who say, 'You know what? I can see the situation we are in. You are talking to me straight and together we will get out of this mess.' It starts by deregulating education to have the finest universities in the world right here. It starts by everyone who can pay a co-payment doing just that in our health system. I know that general practitioners will always bulk bill even under these new arrangements people who cannot afford to pay. I note that the sick will always have access to a chronic disease management plan which attracts no co-payment whatsoever, nor do pregnancy visits and nor do follow-ups and reviews. You can have your health looked after with a chronic disease under those 97 items that do not attract any co-payment whatsoever.

What are we replacing? We are replacing an opposition that talks about their commitment to industry and to innovation and that now questions our $3.03 billion investment into CSIRO or our investment into ANSTO of $777 million and $508 million for Geoscience Australia. These are significant investments and yet this mob tried to launch the RB investigator but allocated no money to run it or staff it. This is the ingenious kind of management by press release that Australians are so glad to see the back of.

I have given a bit of historical context, but I also want to talk about the future. This week the Bank of England is looking at raising its interest rates. The US is looking at a 200-basis-point increase in interest rates over the next two years, and this is a significant issue for Australia. With 2.9 per cent inflation right now, the Reserve Bank would be quite within its rights to raise interest rates, but they do not because of the arbitrage impacts of the US not doing so. When the US does, and I think it is more likely than not, we are then faced with the predicament of who funds all of the bonds that attracted the money here to pay off the debt. The government pays the interest. And what happens to that interest rate? It goes up. When we start paying off that interest to foreign bond holders who expect that return on investment, you will see an even greater challenge for paying off the debt than we already face. Of course, it was way beyond the previous Treasurer and previous government, but we appreciate that this will be a significant challenge and we are the only side of politics that will ever deal with it. It reminds you a bit of the neighbour who comes over to borrow the mower, but the mower never comes back the same as when you lent it. That is exactly how it is when we look after the economy—it was in good, safe hands only to have it run down and destroyed by a pack that says, 'You know what? We've got no ideas left.' We appreciate you have no ideas left; we love the way you grab the lectern and talk about Gas Bill Shorten's talking points for a few minutes in this MPI—

The DEPUTY SPEAKER (Mr Mitchell): Order! The member will refer to members by their proper title.

Ms RYAN (Lalor—Opposition Whip) (16:31): My electorate of Lalor is one of the highest growth areas in Australia; it is also going to be one of the electorates most affected by this budget of broken promises and twisted priorities. Lalor is home to lots of young families
and pensioners. We have lots of single families and a high proportion of those living with a disability. There are approximately 10,000 aged pensioners and 5,000 disability support pensioners in Lalor. We have a 92 per cent bulk-billing rate. We have 3,300 students with a disability in our local schools. The youth unemployment rate is high and getting higher.

These are the people to be most immediately affected by this budget. They will be affected by the GP co-payment, the increases to university and training costs and the cuts to the Schoolkids Bonus, to carers payments, to the Tools for our Trade program and to the pension. All this means less money being injected into our local economy. This is the immediate known local impact. It is a scenario being repeated across the country. As communities take the time to digest this cruel budget, many have raised the potential impact on the local economy. Some are even saying that they can see the possibility of a local recession.

My locals are sending a very loud and clear message. A coffee shop has already reported a downturn in trade and the neighbouring jeweller is saying the same. A local builder bailed me up at the footy and expressed concern for his business. Could people still afford to make home improvements after the cost of living pressures announced in the budget? Would he be able to keep on the apprentice or would he need to put him off, due to work drying up? Down at the homemaker centre, the worry is that people will no longer upgrade their white goods and furniture, if their incomes are reduced.

My community is not unique. If this is the talk in the streets of Werribee, Tarneit and Point Cook, I am sure these are the conversations being held in Western Sydney and in the suburbs in the outskirts of Brisbane, Perth and Adelaide. The local businesses in Lalor would not regard themselves as economists, but they know enough to know that the confidence of households is paramount to the success of the economy. And they are backed by the economists. As we have heard already, the June Westpac/Melbourne Institute Index of Consumer Sentiment data—and I will repeat it, because I am not sure those opposite are reading the same information—said:

The Index is still in firmly pessimistic territory … down 6.6% from its pre-Budget level in April and 15.6% below its post-election high in November last year.

The Dun & Bradstreet Consumer Financial Stress Index has shown Australian financial stress levels have risen by almost a third, from 13 per cent in September last year to a current level of 18.7 per cent. Dun & Bradstreet also found in their Business Expectations Survey that 59 per cent of businesses are concerned about the impact of the federal budget on their operations—59 per cent. That is the budget delivered in this chamber by this government. Today we saw, the Reject Shop and Pacific Brands, amongst a slew of retail business, record profit downgrades. And the Reserve Bank indicated just yesterday that 'the unemployment rate is expected to remain elevated' over the next two years.

The people in my electorate of Lalor are not so far wrong about this budget. Through its cuts to household budgets, this government is risking the largest source of growth the economy has—consumption, which makes up more than half of all economic activity in Australia. The recent national accounts showed an economy that is being held up almost entirely by our mining exports. The experts know that if households do not spend, business will continue to sit on the sidelines and the economy will be unable to fill the gap left by rapidly falling investment in the mining sector.
Budgets are about priorities—they shine a light on what a government believes—and this budget is no different. At a time when wages growth is at its lowest level in 17 years, this government has delivered a budget full of shocks and surprises, which cut household budgets and which will do nothing to encourage households to feel confident about the future. Our local community is still digesting the news about the Toyota and the GMH closures and the loss of a projected 4,000 jobs in our immediate area. Last week the local shipbuilding industry also took a hit. You can only imagine the impact on consumer confidence this news has had on our local people.

This is a cruel and unfair budget—some are saying it is the most damaging budget in over a decade. This is a budget that divides Australia; it is a budget that puts our economic future at risk; and it is a budget that this side rejects. (Time expired)

Ms SCOTT (Lindsay) (16:36): It never ceases to amaze me the MPIs that the opposition put up, particularly those by the member for McMahon. When I look at the MPI that he has put up today, I see that he talks about the ‘adverse impact of the budget on the Australian economy’. If we really want to look at the adverse impact on the Australian economy, I think we should go to the Labor Party’s hit list. What do we see? We see 200,000 more people unemployed. This is the legacy which those opposite left us with. Do you know what? That is more than the population in the whole of the Penrith area in Western Sydney. Gross debt is projected to rise to $667 billion. There is $123 billion in cumulative deficits and the world’s greatest carbon tax. If you want to talk about an ‘adverse impact’, well, there it is, dot pointed, ready to go.

If we want to look at what those opposite have left us, it is $1 billion a month in interest payments. This is paying off a credit card with another credit card. I would like to bring home to the member for McMahon—who just happens to be my neighbour in Western Sydney—what this means. With $1 billion a month, he would probably be looking at something like Mamre Road to be upgraded, from the Great Western Highway all the way down to Elizabeth Drive. That would cost you around $800 million, member for McMahon. You could buy that in one month and still have the best part of $200 million left over. If you want to do something for your community, member for McMahon, that is the way to go.

He also goes on in his statement about confidence. He wants to talk about confidence. He wants to put confidence back into the economy. I would like to talk to those opposite about what confidence is. Confidence is about—and it surprised me that the member for McMahon also used these words—innovation, entrepreneurship and having vision. I dare say he has not gone through any of the budget papers, particularly the one on building Australia’s infrastructure. He is possibly not aware of it or even has not read any of the local papers that talk about the $3.5 billion worth of infrastructure that will be coming to Western Sydney, which will include Elizabeth Drive, Bringelly Road and the Northern Road. Elizabeth Drive is in his own electorate. Elizabeth Drive is going to be upgraded to a motorway style of road. These roads will link key business parks right through Western Sydney—right through the member for McMahon’s own electorate.

If you want to build confidence, what do you do? You invest in the people of Australia. You invest in our infrastructure. You create pathways for people to find more jobs. Once again, this budget delivers exactly that. If we look at what that means in Western Sydney, it will be WestConnex; in the north, it will be NorthConnex. It is $3.5 billion worth of...
infrastructure right here, alone, and that is where we can find the first piece of innovation, entrepreneurship and vision. I am sorry if those words are a little bit difficult for the member for McMahon to hear, because those opposite are not used to delivering on their promises—

**Mr Ewen Jones:** He has actually left.

**Ms SCOTT:** That is very true. If we go further and look at the entire budget package and what it will provide, we see things like CCTV, which will be placed right across Western Sydney and right across our nation. For instance, I think there will be $1 million worth of CCTV for Parramatta; $300,000 worth of CCTV for my own electorate of Lindsay. These practical benefits will improve the economic activity in some of our disjointed suburban shopping districts to provide safe places for people to shop. It will provide—and, once again, to use the member for McMahon’s words—vision, entrepreneurship and confidence.

So when I really look at this MPI, I find it quite astounding that those opposite would talk about an adverse impact with this budget when they themselves have created the adverse impact. We are cleaning up six years of Labor’s mess. When it comes to confidence, you just have to look at the infrastructure package that we are running right across our country. There is an $11.6 billion infrastructure growth package, which shows nothing more than vision from the Prime Minister, the Deputy Prime Minister and the Assistant Minister for Infrastructure.

I would like to commend the government for having the vision and the entrepreneurship to invest in our regions and to ensure that we build a better Australia for our children and that each of our outer metropolitan regions have connectivity and jobs for the future.

**The DEPUTY SPEAKER (Mr Mitchell):** Order! The discussion has now concluded.

**BILLS**

**Australian Workforce and Productivity Agency Repeal Bill 2014**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

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

"whilst not declining to give the bill a second reading the House notes that the Government has failed to guarantee that the critical independent research to Government and industry in relation to Australia’s current, emerging and future skills and workforce development needs will continue to be carried out and made public."

**Dr CHALMERS** (Rankin) (16:42): As I was saying before, there have been some key figures in the higher education sector who have come out in opposition to the scrapping of the AWPA, as proposed in the Australian Workforce and Productivity Agency Repeal Bill 2014. Leesa Wheelahan, who is associate professor at the LH Martin Institute for Tertiary Education Leadership and Management at the University of Melbourne, said:

There is now no source of independent advice to government, no way of questioning policy and no research on what Australia needs in the future.

There are others as well who have come out against the abolition of this key body. The current chairman of the AWPA, Philip Bullock, said while confirming the agency’s 'disestablishment'—his words:
There are few times in our working lives where we contribute in an area which has the potential to positively impact so many people and for this opportunity we remain grateful. I think Mr Bullock is right that real people have brighter career prospects as a result of the work that the AWPA has done, and this makes it all the more disappointing that the agency is to be abolished. We are moving these amendments to see that the advice and the analysis is still provided.

Today the opposition is calling on the government to guarantee that independent advice on workforce and productivity issues will continue to be provided and continue to be made publicly available. This advice is much needed. It is crucial to assist government, industry and the education sector to develop the human capital required to create the jobs of the future, in the economy of the future. We are seeking this assurance from the government because the signs so far about workforce issues from this government have not been encouraging, whether it is this abolition of the AWPA; whether it is the abandonment of the Asian century white paper, which has been abolished not only from the departmental website but also from the approach and strategy of the government when it comes to the sorts of jobs that we want to be creating in the Asian century; whether it is the deregulation of university fees, which will make it all the more difficult for young people to undertake meaningful training; whether it is the government's harsh cuts to welfare for young people, their attacks on Medicare, their defunding of future trades training centres, their $30 billion cut to schools, their cuts to Youth Connections, their broken promise on Gonski funding—all of these sorts of things. The cumulative effect of all of these unwise and unfair cuts will be a less skilled, less productive and less dynamic workforce in the future.

It will, unfortunately, risk us missing out on the huge opportunities that are just around the corner for Australia as part of the Asian century. We are witnessing an unprecedented transition in our region and our engagement with Asia has never been more important. The rise of the middle class in Asia will be the most important economic phenomenon of our time. Asia will soon become not only the world's largest producer of goods and services; it will also be the world's largest consumer of them. Australia is perfectly placed to take advantage of the monumental changes underway in our region, but only if we get our workforce right—only if we sort out our human capital and we give our people the best chance to succeed. We need to invest in the tools of success necessary for our young people to succeed right through their working lives. As the authors of the Asian century white paper put it, the tyranny of distance to Europe is being replaced this century by the power of proximity to Asia. We have a lot to offer Asia—our workers have a lot to offer—not only by way of our resources but also in terms of our strong, world-leading institutions and our open and resilient economy. But, as I said, to fully take advantage of these kinds of opportunities, we need to have a highly skilled and dynamic workforce. We need to find ways for our workers to be part of the elaborate global value chains that now characterise world trade.

As the McKinsey Global Institute report *Global flows in a digital age* has found, by far the greatest growth in global flows lies in knowledge-intensive goods and services. In fact, knowledge-intensive goods flows are growing at 1.3 times the rate of labour-intensive goods. While the developed world is leading the way in exports and imports, China's knowledge-intensive flows are the world's second largest already. So, to be a competitive part of the interconnected economy of the Asia-Pacific, Australia must continue to be a leader in
knowledge exports. We need to be innovative and creative, and this all depends on a well-educated, well-trained, modern workforce here in Australia.

The Labor Party, while in government, anticipated these opportunities that lie ahead for Australia and sought to position our country to benefit from the regional economic transition underway. That is why we invested $19 billion in skills and training for smarter jobs and a stronger nation. It is why we developed a needs based funding model for schools, to give every child in Australia—every child, including kids from the poorer areas in my electorate—the chance to get ahead. We introduced the Australian Workforce and Productivity Agency, the agency we are talking about now, to identify the challenges and strategically determine solutions to strengthen our workforce.

As I said before, the Labor opposition do not want to see the coalition dismantle our plan for future prosperity in Australia based on human capital and the tools of success in our workforce. That is why we are seeking to amend the bill today. I commend my very good colleague the member for Cunningham for her amendments, which call on the government to guarantee that the independent advice and analysis on workforce and productivity issues will continue to be provided and publicly available, even if and when this particular agency is abolished. This advice is vital for government, industry and the education sector to respond to the challenges that lie ahead for our economy. With the demise of this body we need to find an alternative way to get that advice.

The last thing I will say is: we need to do all we can to take advantage of the Asian century before us, and that is why this side will be doing its best to make sure Australia moves forwards in this regard, and not backwards.

Mrs PRENTICE (Ryan) (16:48): I rise today to speak on the Australian Workforce and Productivity Agency Repeal Bill 2014, which is part of the coalition government's agenda for reforming and streamlining governance arrangements for vocational education and training. After six years of Labor waste and fiscal recklessness, the coalition pledged to the Australian people that the days of waste and mismanagement were over. On budget night, the Minister for Finance indicated that the intention of the Smaller Government Reform Agenda was to ensure the Public Service is as efficient, as effective and as accountable as possible.

Those opposite seem to think that, when it comes to the federal budget, the money just magically appears and is there to use at will, however they wish—and when it runs out they can always borrow more. However, on this side of the chamber we have a different view, indeed one based on reality. On this side of the chamber we understand that Commonwealth money is not for the government of the day to splash around as they please on any whim or impulse of the moment. Instead we believe that the Australian taxpayers' hard-earned money belongs to the Australian people, and every dollar of it must be spent responsibly and in the best interests of the taxpayers. This means that, when there are opportunities to eliminate duplication, remove waste, enhance accountability, streamline government services and reduce the cost of government administration for taxpayers, we take that opportunity.

The previous Labor government set up the Australian Workforce and Productivity Agency to advise the federal Minister for Industry in relation to: Australia's current and future skills and workforce development needs, improving the productivity of the Australian workforce, and the allocation of Commonwealth funding. All of these tasks can be carried out more efficiently by the pre-existing Department of Industry. This agency is an unnecessary and
expensive duplication. In winding down the AWPA's operations, AWPA staff and functions will be transferred into the Department of Industry. These functions are core public policy activities and, therefore, do not require an independent statutory framework to be carried out.

It is important to note that activities undertaken by AWPA will continue to be priorities for the Department of Industry, and the valuable work that has been undertaken will continue. The new arrangements will allow the Department of Industry to deliver its core functions more efficiently. These arrangements will streamline processes and strengthen the resources and capability of the Department of Industry to provide targeted advice to the minister.

There will be efficiencies associated with the abolition of the AWPA, through reductions in corporate overheads and costs associated with the AWPA board. There will also be improved accountability, with future advice to the minister being the responsibility of the Secretary of the Department of Industry. There will be streamlined program administration as we will no longer have an industry training program administered by AWPA, the Department of Industry and Industry Skills Councils. Instead, the new Industry Skills Fund will be administered by the Department of Industry. It will be delivered through the single business service delivery initiative, which will make delivery and access simpler and more streamlined for business. This will allow the Australian government to better deliver on its competitiveness agenda through assisting businesses that are seeking to improve their productivity and competitiveness in a global market.

The abolition of AWPA is only one part of the Australian government's broader vocational education and training reform agenda, which has a strong focus on ensuring that the national training system is more responsive to the current and future skill needs of businesses. Other key elements of the VET reform agenda include providing industry with a formal role in relation to policy directions and decision making in the national training system, easing the regulatory burden and creating a more effective and efficient skills and training system. Good progress is being made in all of these areas.

I am proud to stand on this side of the chamber. Despite six years of the previous Labor government's engaging in the largest spending binge in our nation's history, despite saddling Australia with $123 billion in deficits and an interest bill of $1,000 million a month, despite causing the fastest deterioration in debt in dollar terms as a share of GDP in modern Australian history, despite all of that, we on this side of the chamber are determined to be responsible with the Australian taxpayers' money, spending it efficiently instead of wasting money on duplication and unnecessary bureaucracy. We are focusing on delivering crucial services, support and education for all Australians. Through this bill, I look forward to seeing the coalition government continue to implement our wider vocational education and training reform agenda. I commend this bill to the House.

Ms CHESTERS (Bendigo) (16:54): Today, I stand to raise my concerns about the abolition of this very important body that addresses the growing skills crisis that we have in this country. It is wrong for people to say that it is red tape, that it is time to move forward and that we do not need more great bureaucracies. The fact is that government has a role to play when it comes to addressing the skills problem we have in this country. We cannot continue to rely on imported skills. We cannot continue to fill our gaps in the skills needs we have in our economy with 457 visas. We need to continue to invest in skills and we need to understand what those skills needs are, which is why this particular agency was established.
It replaced Skills Australia and provided expert, independent advice to the government on the current and emerging future skills and workforce development needs. The Australian Workforce and Productivity Agency, which this bill seeks to abolish, was doing exactly that, providing the expert, independent advice that we need. One of the roles was in the area of industry. For example, the manufacturing sector recently released their report. Manufacturing is an issue that a number of people stand up in this House and present a very doom and gloom picture about and, yes, in some parts of Australia manufacturing is facing a crisis. But in my own electorate of Bendigo, we have a good news manufacturing story to share. One of the challenges we always face in our area—and it is one of the issues that manufacturers always discuss with me—is the need for skills. That is, the need to have a workforce that is skilled, a workforce that is ready to work in manufacturers' businesses. Locally, our manufacturing area continues to be strong. Roughly, there are over 6,500 people working in manufacturing in the Bendigo electorate, ranging from food and beverage production to metal and mining equipment and engineering. Central Victoria still continues to be a major producer of food. Currently, there are just over 1,200 people working in the food production sector. There are just under 600 people working in our building manufacturing sector, and just under 1,000 people are working in metals and engineering.

One of the reasons for the success of our manufacturing area and why it continues to be strong is that our manufacturers are not afraid of innovation. But with innovation comes the need for a skilled workforce. With innovation comes the need for partnership between industry, government, and our education providers to ensure that we have the skills that these manufacturers need. Take, for example, one of our local manufacturers, Keech Australia. Only recently they opened their new innovation centre where they have engaged a workforce producing patterns. They have the biggest 3-D printer in the Southern Hemisphere, at home in Bendigo. In talking to them, I know that the people working in this part of their business have a patchwork arrangement of skills. Some of them have certificates from RMIT; some of them have diplomas from Geelong; some of them have diplomas from Ballarat University and some have degrees from La Trobe University. One of the challenges that the managing director at Keech talks to me about is the frustration of finding the people with the right skills. He is concerned that there will not be people in Australia in the future with the skills that he requires to continue to grow this part of their business. Again, this is why we need our governments to invest not only in skills but in research and conversation with manufacturers like Keech Castings to ensure that we have the skilled workforce we need.

Another manufacturer we have in Bendigo is Thales. As we stand here today debating this bill, Thales are in Paris as part of a big roadshow releasing the Hawkei, which is a vehicle designed and tested in Bendigo and Central Victoria. It is a vehicle that is world-class. It is a vehicle that we hope this government will sign the contract for so that Thales in Bendigo can then produce and manufacture this vehicle going forward. This vehicle which we hope this government will sign the contract for so that it can follow the success of the Bendigo built, designed, and manufactured Bushmaster. It is not something for which you can get out a sketchbook and develop overnight. You require a skilled workforce. You require an ongoing and maintained skilled workforce. This is another example of why we need to continue to invest in training people to have skills. Who knows that we need these skills in Bendigo? It is more than just the federal member who knows. It is universities, TAFEs and industry. It is
through having bodies such as the one we are seeking to abolish today that we can have a national map of the skills that are needed.

Another manufacturer in my area that speaks to me quite often about skills is Hoffman Engineering. Yes, they have a strong manufacturing facility in Perth, but they also have one in Bendigo. I visited their site last week and I asked them, 'Why did you choose Bendigo?' They had a couple of reasons. They could have chosen anywhere on the east coast. They said the first reason why they chose Bendigo was the support from local government, the former Labor government and the former federal government for establishing themselves in Bendigo. But the second and most important reason why was that there was already an established heavy and metal engineering skilled workforce. The fact that major manufacturers like Hoffman are willing to move to a town like Bendigo to establish and expand their business is testament to our local skills and our local manufacturing sector. But it also points to the need to continue to map out a plan for where we need skills, who we need to have these skills and what kind of skills we need them to have.

The final example of a local manufacturer that I have discussed skills shortages with is Barker Trailers in Woodend. Currently 10 per cent of their workforce are apprentices. They also have some 457 visa workers. They say the only reason why they have these workers is that they cannot get enough skilled people locally. Woodend is a small town. There are about 6,000 people living there, if you take in all the extra areas. One of their challenges in recruiting young apprentices is that they have to travel to do their coursework. To encourage their workers and apprentices to stay on they have gone to the next level of actually hiring a bus. The company, out of their own pocket, hire a bus to drive these workers from Woodend to Ballarat to do their coursework. There is no local TAFE for these apprentices to do their coursework. Getting on a train to Melbourne is fraught as well because of the constant cancellations in the train system. That makes it very hard for their apprentices to get there on time.

When we talk about skills, we need to look at the map of Australia and what we need not just for our current manufacturing and to ensure that we continue to have the skills to keep the businesses such as the ones I have mentioned but also to help us go forward and make sure we continue to support them in the expansion of their businesses, helping small businesses become medium businesses and then large businesses.

But what we have seen from this government so far is that they are smashing any role that government plays in building and developing industry. They are also smashing an entire generation of young people. When I say 'young people' I am not talking about people under 30. About 25 to 30 tends to be the age when people have started their first job, bought their first home and started having children. I am talking about people who are in high school and just about to finish secondary school who are deciding on their career choices. This government are targeting these particular young people through cuts to TAFEs, universities and apprenticeships, ensuring that their pathways through to a good job do not exist.

Take, for example, the changes to university and my own local university of La Trobe. The vice-chancellor and the campus director are worried that the deregulation of university fees, coupled with the funding cuts, will discourage local students from attending university. Right now there are about 4,000 students at La Trobe University. Of those, about 25 per cent are the first in their family to go to university. Linking into the local skills needs they have an
engineering course, but the university is worried that because of fee deregulation the cost of that course will discourage local kids from enrolling. That will then put pressure on our manufacturers in making sure that they have the skills they need to continue to grow their businesses. La Trobe University this year welcomed just under 1,400 new students to their campus. What will their numbers be next year? With the government's plan for higher education and its cuts to universities and apprenticeship programs, we just do not know.

Choices for young people in the region are being limited because of this government. What we need to see from government is investment in pathways. We need to ensure that from secondary school through to that first job we are creating pathways and ensuring that people have access to education, whether it be through apprenticeships, TAFE or university. But right now the government has no plans for that and is, in fact, deregulating that and completely smashing what infrastructure we had available.

Suggesting that people should get themselves into hundreds of thousands of dollars of debt to obtain their skills is simply not fair. The government's logic that taxpayers are paying for 60 per cent of university fees is also misguided, because people who are taxpayers include people who have university degrees.

This government basically does not have a plan to create jobs in this country. The budget they handed down actually smashes jobs in this country. It is a budget that attacks our industry. It is a budget that has no vision.

I did not think I would be standing here and agreeing with some of the employer associations, but I find myself increasingly agreeing with them, because, like them, people in the Labor Party, people on this side of the House, believe that to continue to have a strong economy we need strong businesses with a skilled workforce. From this government what we have seen is basically the tearing up of that social contract. This bill is just one of many that demonstrate this government's ideologically driven opposition to supporting business growth. The minister took just a few minutes to introduce this bill, and we have seen previous speakers standing up and making short statements. Yet what we have not seen from this government is a plan, a long-term plan, to create jobs in this country. To simply say that people will go out and get a better job, when those better jobs do not exist, is just simply wrong.

This bill establishes a body that was doing good work. This bill will not tackle an issue that will continue to be an issue into the future. This bill does not address our growing need for skills. (Time expired)

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (17:09): I never thought I would stand in this House and utter the words 'bring back Gibbons as the member for Bendigo'. Not only did the member for Bendigo run into this House late, but she obviously did not even read the bill nor indeed her own side's amendment. She did not address one iota of the bill before the House. In fact, in her closing comments she said this bill is about establishing AWPA. It is actually about abolishing AWPA. So I would suggest that before the member gets up and makes long-winded statements in this House she should actually try reading a bill and then not just turning up on time but actually understanding what she is debating.
The Australian Workforce and Productivity Agency Repeal Bill 2014 repeals the Australian Workforce and Productivity Agency Act 2008 and abolishes the Australian Workforce and Productivity Agency, known as the agency. The agency was established to provide advice in relation to Australia's current and future skills and workforce development needs, based on an economy-wide analysis of industry trends. There is also a range of other functions relating to research and analysis of industry workforce and skills needs, including developing the Skilled Occupations List. In winding down the agency's operations, the agency staff and functions will be transferred to the Department of Industry. I will restate that for members opposite, who seem to think there will be mass sackings. In winding down the agency's operations, the agency staff and functions will be transferred to the Department of Industry. These functions are core public policy activities and therefore do not require an independent statutory framework to be carried out. They are the core business of government.

The change will strengthen resources and the capacity of the Department of Industry to provide targeted advice, to improve accountability and to make sure they interact with the industry that actually provides the jobs. What is critical is that the Department of Industry, the public servants whom the other side seem to have no faith in to provide advice to the government, actually interact with industry and deliver the necessary requirements so that we can create greater prosperity for this nation.

This bill is a critical part of this government's agenda for reforming and streamlining governance arrangements for vocational education and training, as well as rationalising the number of portfolio bodies across government. As a part of these proposed changes, we will facilitate much stronger linkages between the skills and the industry functions of the department. We will improve the accountability by instituting direct reporting lines through the secretary of the department. There will be efficiencies—small efficiencies—associated with the abolition of AWPA, through reductions in corporate overheads and the removal of the AWPA board.

Let's make no bones about it. This is about providing a straight line from industry needs, through to the department, and through to the minister, and then we can expedite the results. This is about stronger engagement. I will bring up one case as an example. As the shadow minister for tourism during the term of the previous government I understood the need for cooks and chefs, food professionals, to be placed back on the Skilled Occupations List. I had had discussions with industry, and industry said that AWPA, who prepare the information for the Skilled Occupations List, just were not listening. Back on 13 December a round table with the restaurant, catering and hospitality industry was put together, and AWPA presented. It is true what AWPA said: of the number of people who come in under the Skilled Occupations List, cooks and chefs were the highest of any occupation coming into Australia. The fundamental problem, though, is that people were taking up the opportunity to come in under that occupation and were then not working in that occupation. I understand that the minister, Senator Cash, has been doing some work in relation to that with the industry. What is key and critical here is the term 'engagement direct with industry' for understanding their concerns and delivering real outcomes.

The abolition of AWPA is only a part of the Australian government's broader VET reform agenda. We have a stronger focus on ensuring our national training system is more responsive
to the current and future skills needs of businesses, because it is the businesses that will employ the people involved in the training.

We will introduce a new Industry and Skills Advisory Committee. This new advisory committee will provide industry with a formal role in relation to policy directions and decision making in the national training system and will include both industry representatives and selected senior officials. It will also have the consideration of VET sector regulation to ease the regulatory burden and create more effective and efficient skills and training systems, including examining the standards for providers and regulators to ensure that they better recognise the different levels of risk posed by different providers in enabling VET regulators to deal more effectively with poor quality in the sector to improve confidence in that sector.

So, we are recommending a change. In listening to the comments and the amendment put forward by the member for Cunningham, you would believe that she had absolutely no confidence at all in the Public Service to provide quality advice to the department. I go back to what I said earlier: the responsibilities of the people and public servants involved in AWPA will be transferred back to the department. They will be the same people. When they worked for AWPA she had confidence in their ability to provide quality information to the government; when they work for the department, she has no such confidence. The member also criticised the government for not making this policy announcement with the bells and whistles. Well, the minister undertook at COAG on 3 April to make the announcement. The minister wrote directly to every board member. The minister does not believe in policy by press announcement, like members of the Labor Party opposite; we believe in talking to the affected people, to the industry stakeholders, and working with them to deliver real outcomes.

As an example of that, as I said, on the public statements that were made in relation to the abolition of AWPA on 3 April 2014, at the first session of the COAG Industry and Skills Council meeting the Minister for Industry advised leaders from various industry sectors of the government's intention to roll the functions of AWPA into the department. In fact, the chair of AWPA, Mr Philip Bullock, issued a subsequent statement on 9 April confirming the government's intention. I will quote part of that statement:

In terms of future arrangements, we are pleased that the Minister has decided that many of the functions of AWPA will transfer and be incorporated into the Department of Industry. The agency's secretariat staff are public servants within the Department of Industry which will assist the transfer process. The Government will in due course initiate the necessary legislative changes—

which is what we are doing today. So, we consulted, we engaged and we led, and we are determined to deliver real outcomes. These outcomes are about driving skills reforms with the industry itself in the driving seat—not in the back seat, not left behind at the bus stop but actually in the driver's seat.

The member for Cunningham also asked about the National workforce development strategy 2016. I would like to remind that member that, again, as with all of AWPA's reports, including the National workforce development strategy 2013, the reality is—and I am just looking at this amendment here again—in relation to the critical independent research to government and industry in relation to Australia's current and emerging future skills in the workforce needing to continue to be carried out and made public, the former Labor government never responded to those reports. So, they did their reports, and such is the quality of the work that the former government refused to respond to those reports. So it is
somewhat idiotic for a member to walk in here and put this form of an amendment on the table when their own government, the creator of AWPA, did not even bother responding to the reports. I say to the member for Cunningham, like the member for Bendigo: when you walk into this House, please understand what you are doing when you are debating. The shadow minister should have been better informed of the processes and the outcomes and some of the reports that had occurred in the sector that she purports to represent. The fact is that AWPA, while adding research to the skills productivity base, was yet another body and layer of the skills system that Labor had made so confusing and fractured that it made getting solutions to some of the issues raised by industry and other bodies like AWPA so difficult to address.

The National workforce development strategy examined the workforce needs under four different growth scenarios. The main finding is that Australia's needs for higher-level qualifications will exceed demand for lower-level qualifications. Under the government's bill, the department will have responsibility for skills needs forecasting. This will take a variety of forms, from skills lists to discussion documents. It will be used to inform government policy and ensure that training expenditure matches future skills needs. In other words, we will be building a workforce that is actually employable, that will help our nation's economy grow and deliver real outcomes and results.

But scenario planning is not a function required by the AWPA legislation. Whether it was the best way of considering future skills needs will be considered as part of future work planning. The key will be to ensure that the VET and higher education sectors respond to the changing needs of Australia by meeting the needs of jobs, now and into the future. Some of the work that AWPA has done has been first-class. Some of it has required change, and that is what we are undertaking here today. I say to the member opposite that our intention is to reduce corporate overheads, to bring about a more streamlined, interactive forum where industry can engage directly with the department and through to the minister. And if an urgent requirement occurs it will be delivered very quickly.

So, I am concerned by the quality of some of the debate. But I do want to thank the member for Bowman, who rightly pointed out that it was the Labor government who failed to formally respond to any of the reports put forward by AWPA. I want to thank the member for Ryan for a very concise appraisal of the legislation, a speech whereby the member actually understood what was said. Indeed, the member for Banks pointed out that it was we on this side who undertake the process of spending and investing in skills needs better than Labor. The reality is that Labor will never reform the process; they will just throw more money at the process, and they care very little about the outcomes.

The government will not be supporting the amendment, a pious amendment, put forward by the member for Cunningham. We understand what is required because we have been engaging with industry not just in the last nine months of government but indeed the whole way through the period when we were in opposition. That is why we have come to this decision that AWPA needs to go, that we need to bring this body within the confines of the department, and we will continue to engage and deliver real outcomes. Therefore, we reject the amendment and recommend the bill in its original form to the House.

The DEPUTY SPEAKER (Mr Mitchell): The question is that the amendment be agreed to.
Question negatived.
Original question agreed to.
Bill read a second time.

**Third Reading**

**Mr BALDWIN** (Paterson—Parliamentary Secretary to the Minister for Industry) (17:23):
by leave—I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.

**Business Services Wage Assessment Tool Payment Scheme Bill 2014**

**Business Services Wage Assessment Tool Payment Scheme (Consequential Amendments) Bill 2014**

**Second Reading**

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

**Ms RISHWORTH** (Kingston) (17:24): The Business Services Wage Assessment Tool Payment Scheme Bill 2014 and the related bill before the House today go to a very complex issue. Labor understands this very well. This bill will establish a payment scheme for supported employees with intellectual impairment in Australian disability enterprises, commonly known as ADEs, who previously had their wages assessed under the Business Services Wage Assessment Tool, commonly known as the BSWAT.

ADEs are commercial businesses employing people with disability who need support to stay in paid work. There are almost 200 ADEs across Australia, supporting around 20,000 workers with a disability. Employees are paid a pro rata wage, determined using a wage tool, including the BSWAT, which was developed in 2003. It was designed to measure an employee's productivity and competence in performing a job. It has been used by successive coalition and Labor governments to determine the wages of about half of all workers in ADEs—around 10,000 people.

However, in 2011, two employees challenged the BSWAT in the Federal Court of Australia. Mr Prior and Mr Nojin did not seek compensation for wages lost. They sought a declaration from the court—a declaration they received. The Federal Court found that the tool was indirectly discriminatory against these two employees with an intellectual disability. The Federal Court reasoned that the BSWAT was indirectly discriminatory because a supported employee with an intellectual disability may never be able to meet the competency component measured by the tool. Further representative proceedings are in train. And the legal proceedings in train may take some time to resolve.

In September 2013, during the caretaker period, the Commonwealth sought a three-year exemption from certain sections of the Disability Discrimination Act 1992. As I said, this application was made during the caretaker period. It was supported by both sides of the House. The application was made to allow the continued use of the BSWAT in ADEs while
the implications of the full Federal Court decisions are worked through and a new wage assessment process investigated.

In April 2014, the Australian Human Rights Commission granted the Commonwealth a 12-month exemption whilst a new wage assessment tool was developed. Labor understands that the Australian Human Rights Commission did not take this decision lightly. The commission considered a number of issues in making its decision for an exemption, such as whether an exemption would progress the objects of the Disability Discrimination Act. Advancing the objectives of the Disability Discrimination Act is rightly the commission's primary concern—objectives such as the elimination of discrimination against people with disability, including in the area of employment, and to ensure that people with disability get equal treatment before the law and that they have the same fundamental rights as the rest of the community.

As I said, this is a very complex issue. Labor fully appreciates the complexities involved. Labor understands why the government has decided to establish the payment scheme through this bill today. And Labor will support the passage of this bill through the House. The payment scheme established by the bill intends to help employees with a disability. The idea of the scheme is to provide some reassurance to supported employees and their families and carers.

From 1 July 2014, former and current employees will be eligible to participate in the scheme in relation to work they have performed in the past. The scheme will essentially provide a top-up payment to eligible people who have had their wages assessed under BSWAT. Importantly, applicants must seek financial counselling and legal advice before their application is assessed. Access to legal advice and financial counselling is funded through the scheme. This is of critical importance to Labor—that people who choose to participate in the scheme do so because they have made an informed decision. The scheme also includes an internal and external review process so that people with a disability have the opportunity to raise any concerns. The accompanying bill, the Business Services Wage Assessment Tool Payment Scheme (Consequential Amendments) Bill 2014, provides the consequential amendments that need to be made to Commonwealth legislation in light of the new scheme. For example, amendments to the social security law and the Veterans' Entitlements Act 1986 will ensure the payments are not income tested and so will not reduce the income support payments of supported employees who receive payments under the scheme.

The former Labor government delivered for Australians with disability and their families and carers after a decade of neglect by the previous Liberal government. Labor very strongly believes that people with disability, and their families and carers, deserve the same opportunities as other Australians to participate in the community and to access better education and employment opportunities so they can achieve their goals and aspirations. Just as Labor built Medicare, so Labor built the National Disability Insurance Scheme—already changing the lives of more than 5,000 Australians, as well as the lives of their families and carers.

If rolled out in full and on time, as the Prime Minister has promised to do, the NDIS will deliver support to around 460,000 people with disability and their families and carers. It will give people with disability more choice and control over how they receive this support. The NDIS is also an economic reform that will create jobs and unlock the productivity of people with disability and their carers.
The NDIS is the most significant reform in a generation. It is also the key plank in Labor's broader plan to give Australians with disability a fair go. The National Disability Strategy developed by the previous Labor government, alongside disability advocates, is a 10-year framework to improve the inclusion and participation of people with disability right across our community. Labor championed the National Disability Strategy as the key avenue for Australia to implement obligations under the United Nations Convention on the Rights of Persons with Disabilities.

Labor has been a champion of the rights of people with disability. Sadly, this government has scrapped the position of Disability Discrimination Commissioner. This would have been a short-sighted decision at any time, let alone when the National Disability Insurance Scheme is rolling out across the country. The loss of Graeme Innes as our nation's first full-time Disability Discrimination Commissioner means that, across Australia, people with disability and their families will lose the protection of one of their strongest and most experienced advocates.

When talking to disability stakeholders about the detail of the legislation before the House today, Labor was very disappointed to learn that the government had not consulted with those key stakeholders on the details of the payment scheme they are seeking to establish through this legislation. Labor intends to provide stakeholders with an opportunity to have their say through a Senate legislative inquiry. It is of critical importance that the government get on with the very important job of developing a new wage assessment process—one that does not discriminate against anyone with disability. The government must ensure wage-setting arrangements are nondiscriminatory and fair for all people with disability and they must work very closely with the disability sector to achieve this.

There remains an enormous amount of work to be done and Labor urges the government to get on with that work. As I said, Labor fully appreciates the complexities involved. Labor understands why the government has decided to establish the payment scheme through this legislation today and Labor will support the passage of these bills through the House.

Mr VARVARIS (Barton) (17:33): I am proud to speak in favour of the Business Services Wage Assessment Tool Payment Scheme Bill 2014. It is a bill worthy of support because the payment scheme it brings into effect will provide remuneration and certainty for thousands of intellectually disabled Australians while the government seeks to reform wage assessment in this vital area of supported employment. Ensuring the viability of supported employment is absolutely paramount to this government's approach to disability. The government is serious about its commitment to the lives of intellectually disabled Australians and to their ability to make a genuine contribution to society through programs provided by Australian disability enterprises. A payment scheme grows out of this serious commitment. The coalition is the champion both of the fair go and of having a go. Those values are central to the philosophy of this bill and all related measures.

The background of the scheme relates to a Federal Court decision of 2012 which found that two employees had been indirectly discriminated against because of the nature of the Business Services Wages Assessment Tool, or BSWAT, under which most intellectually disabled employees of Australian disability enterprises had their wages determined. This finding of indirect discrimination resulted from a comparison of two workers of equal productivity with different kinds of disabilities. It was found that workers with an intellectual
disability were significantly disadvantaged in comparison to their physically disabled counterparts in demonstrating their skill and productivity using the questions asked by the BSWAT.

The BSWAT questions were often of an abstract or metacognitive nature, such as 'How do you help out in the workplace?'—meaning that employees with intellectual impairment were disadvantaged by this means of determining workplace competency. Because of the intellectual rather than physical nature of their disability, intellectually disabled Australians were less able to demonstrate their value through the competency measures in the Business Services Wage Assessment Tool. What was of concern to the Commonwealth government was the Federal Court's finding that indirect discrimination was occurring through the use of a wage assessment tool which was not suited to the needs or abilities of people with an intellectual disability.

The central purpose of the scheme is to respond to that finding of indirect discrimination—for the sake of employees of Australian disability enterprises—while a longer term measure is devised. The indirect discrimination arose from the lesser ability of intellectually disabled employees to respond to abstract questions in a way that would be deemed appropriate by those administering the Business Services Wage Assessment Tool, even though their answers and the ostensible implications of those answers were not reflective of the way the employees were really completing their work or interacting with co-workers. Furthermore, the threshold for the 'not yet competent' label to be applied to a category of competency was extremely low. If employees were deemed not yet competent for just one of the several parameters of competency, they would be deemed 'not yet competent' for the entire category.

By shifting the focus from the often hazy notion of 'competency' to the more concrete and relevant measure of 'productivity', the government is taking the Federal Court decision into account and setting a new agenda for the new payment tool that will be developed. This is a government that recognises that productivity is the key feature to consider when determining the value of work, especially when less concrete features are difficult to adjudicate in the case of vulnerable individuals with an intellectual impairment. While the government addresses this issue, a payment scheme fulfils the ongoing needs of intellectually disabled employees to receive certainty about their employment and remunerate them for work provided while the Business Services Wage Assessment Tool was being used. It is important to note that, rather than making a judgement about the level or nature of the pro rata wage in question, the Federal Court decision found that the tool used to assess wages had shortcomings that amounted to indirect discrimination. The fairness and relevancy of the wage assessment tool will be the focus of the government's future legislation in this area, rather than a focus on levels of wages in abstract terms.

This scheme, and the initiative to which it is related, holds a particular significance for my electorate of Barton. A couple of months back, I visited the Intellectual Disability Foundation of St George, one such Australian disability enterprise within my electorate of Barton. Through charitable donations, the funding it receives through the Commonwealth government and its own revenue, the Intellectual Disability Foundation operation Ascalon Enterprises provides businesses with reliable packaging and capping services and disabled Barton residents the opportunity to work. Predominately the enterprise requires workers to engage in simple physical tasks such as packing, capping and sealing, working to a retail standard with a
focus on quality and safety. By speaking with the employees at Ascalon Enterprises, I saw that for those involved the opportunity to work meant the opportunity to make a contribution to society—to feel valued, useful, and needed.

For those at Ascalon, the work provides a feeling and a quality of life which cannot be achieved by anything other than employment. The work that the Intellectual Disability Foundation of St George provides is so fulfilling and such a positive force for those that work there that there is a high demand to be employed there, with a long waiting list to come on board. That is why Australian disability enterprises are such an important social investment by the government—one that must remain sustainable and grow into the future. It is impossible to emphasise the value of such schemes enough.

This is the sort of quality of life we should be seeking to provide all intellectually disabled Australians who have the ability to undertake this sort of work. The majority of this work is undertaken by Barton residents with an intellectual disability, many of whom would have their wages assessed under the Business Services Wage Assessment Tool. Certainly it is important that these employees know that they are really working for a wage; they have a right to be supplied with reasonable and achievable productivity goals and receive a wage for achieving them, in addition to their disability support pension. However, what is even more important than referring to an hourly wage out of context is to consider the package of support that employees receive through their involvement with Australian disability enterprises and the government more generally. Support packages like the disability support pension, disability counselling and on-site care mean that to look at the reward employees receive merely by isolating the wage of an employee to an hourly wage is beside the point. To drastically increase the wage paid to these employees by Australian disability enterprises without doing so according to a reasoned scheme would seriously threaten the viability of operating supported employment at all.

As a government, our priority is undoubtedly the continuation of a scheme that is adding so much value to the lives of 20,000 Australians. It is very important to remember that a large number of employees with an intellectual or physical impairment who work with ADE would not otherwise have found employment in the open labour market. Therefore, the pro rata wage employees receive should be considered in the context that many of these programs run at a loss and operate for the good of their employees. Our payment scheme and our intention to legislate for a new wage assessment scheme will provide certainty for intellectually disabled Australians who may be unsure about the way in which their wages are determined. It does due diligence by taking the Federal Court decision into account, respecting its finding of indirect discrimination and resolving to attend to issues of discrimination as soon as we become aware of them, out of respect for the valued employees of Australian disability enterprises.

This was an area in which the previous Labor government did not legislate, meaning that the Business Services Wage Assessment Tool had been deemed discriminatory in 2012 but Labor left government in late 2013 without responding to the issue. It has taken a coalition government to respond to the Federal Court decision and reconsider the issue of wage assessment. The payment provides the provisional certainty that the sector needs while we will address the shortcomings of the Business Services Wage Assessment Tool and devise a new scheme for assessing pro-rata wages. In alliance with the NDIS, schemes such as these
show that the government is serious about providing Australians with a disability with the support, reward and opportunity they need to thrive as full members of our great Australian community. I commend the government on taking the steps not only to devise a new assessment tool for the wages of disabled employees but also to provide a payment in the meantime which gives assurance and certainty to those affected regarding their employment, until a new scheme is devised.

So what makes this scheme commendable and what makes this bill worthy of my colleagues' support? This bill provides certainty to working Australians with an intellectual disability. It provides economic sustainability, as employers cannot afford to provide the kind of one-off payment to a large number of employees that the government is able to provide as a result of this payment scheme. It reassures employees that the government wants to ensure that they are paid appropriately according to a fair scheme, and pay them for past work that may have occurred under an unfair scheme. It responds appropriately to court decisions and respects the mandate that the findings necessitate change for the sake of the employees. It pays valued employees appropriately for genuine services rendered while seeking to maintain the viability of the scheme by taking the pressure off individual employers. Thus, it secures the valuable work of Australian disability enterprises, ultimately for the sake of the 20,000 Australians that Australian disability enterprises employ. It has extremely reasonable, but non-negotiable, deadlines to apply; it has both external and internal review processes; and the terms of the scheme are well expressed to the relevant parties in ways that make sense to them. One of the best facilities of the scheme is its provision of legal and financial advice free of charge to potential recipients as they consider their options. This is one way the specifications of this bill work to provide choice and control for applicants with a disability. This is a voluntary payment which employees have the right to consider as an individual and with the help of nominees and advisers. They also have the ability to seek review of any decisions made in relation to eligibility.

This is a fair scheme, offered in good faith to those employees of Australian disability enterprises with an intellectual disability who have had their wages assessed under the Business Services Wage Assessment Tool, in order to provide them with certainty and remuneration. By shouldering the cost of a payment scheme, the government is safeguarding the viability of Australian disability enterprises for the sake of intellectually disabled Australians. It is a bill most worthy of support, and I commend the bill to the House.

Ms HALL (Shortland—Opposition Whip) (17:44): These bills, the Business Services Wage Assessment Tool Payment Scheme Bill 2014 and the related bill, are important legislation. They are legislation the opposition will be supporting.

I listened with some interest to the member for Barton; he said the previous government did not legislate in this area. The previous government was in the process of consulting with the community—consulting with all the players in the space—and was in the process of developing legislation. I forgive the member for Barton; he is only a new member in this place and his ability to assert such information is probably very limited.

Turning to the bill, I would firstly like to say it is imperative that people with intellectual disability be able to maximise their potential and be given the opportunity of being recompensed for the work they do. I previously worked with people with intellectual disability and other disabilities. I know just how important and how valuable it is to people
with an intellectual disability to be able to work and be valued in the way other people work and are valued.

The role of government is to put in place a framework within which they are able to do this—where they are recognised, where they are able to be offered employment and where they are able to succeed. I have a very good business enterprise centre in my electorate, the House with No Steps; also operating in my region is Access Industries. The House with No Steps has created opportunities and employment for many people with intellectual disability over a very long period of time, and working for that business enterprise centre has changed the lives of many people with intellectual disability.

This bill will establish a new payment scheme for supported employees with intellectual impairments, in Australian disability enterprises such as the House with No Steps, who previously had their wages assessed under the Business Services Wage Assessment Tool. The scheme will essentially provide a top-up payment to eligible people who have been assessed under the BSWAT. If eligibility is established, a payment amount will be offered based on half the amount the worker would have been paid by the productivity element of the BSWAT being applied. This new scheme follows a Federal Court ruling that found the BSWAT to be indirectly discriminatory towards two employees with intellectual disability whose wages were assessed using the tool.

The Australian Human Rights Commission has provided the Commonwealth with 12 months exemption from the Disability Discrimination Act while a new wage assessment tool is developed. I would like to strongly encourage the government to work toward finalising that assessment tool and to consult widely with those involved—both those within the business services industry and people with intellectual disability and their advocates—because it is imperative that tool be developed and people with intellectual disability not be left hanging, waiting for it to be completed. The lack of consultation by the government in developing a tool that is going to be truly useful and truly fair worries me. We need to have the maximum possible consultation.

To be eligible for the payment scheme a person must have an intellectual impairment, and have been employed by an ADE and been paid a pro rata wage determined under the assessment tool. They must have required daily support in the workplace from the ADE to maintain their employment. These are very important requirements because, if they are not met, there is really no strong argument for the payment to apply. Applicants must seek financial counselling and legal advice before their application is assessed. Access to legal advice through Legal Aid, and to financial counselling through the Commonwealth Financial Counselling service, is funded through the scheme. That is to ensure the person with intellectual disability actually gets the information and the advice they need to make the decision. If a person does sign up—if the applicant accepts an offer—they will cease to be a group member of the representative proceedings and will be unable to make further claims in relation to the assessment of wages under the tool. It is imperative that the person gets the right sort of advice and has that legal and financial counselling, so that they or their advocate can determine whether it is in their interest to go that way. The scheme will remain open until 15 November 2015.

The Business Services Wage Assessment Tool Payment Scheme (Consequential Amendments) Bill 2014 provides consequential amendments that need to be made to the
Commonwealth legislation in light of the new scheme. For example, amendments to the tax law will ensure payments under the scheme are eligible income for the lump sum in arrears tax offsets. Amendments to the social security laws and the Veterans' Entitlements Act 1986 will ensure the payments are not income tested and so will not reduce the income support payments of supported employees who receive payments under the scheme. The confidentiality provisions in the social security law will be adjusted to make sure that personal information can be obtained and disclosed for the purpose of administering the new scheme.

As you can see, this is quite complex legislation and it is legislation that needs to be put in place so that supported employees with intellectual disabilities in Australian disability enterprises, who previously had their wage assessed under the Business Services Wage Assessment Tool, will be in a position of security and will have the knowledge that the payments received will be in line with the law.

There are almost 200 Australian disability enterprises across Australia supporting around 20,000 workers with disabilities. That is a very significant number of disability enterprises and a very significant number of workers. These workers really need to be protected by legislation to ensure that they are not exploited, to ensure that they get the recompense that they deserve, to ensure that they enjoy a good quality of life and to ensure that they can go to work each day and receive the same sorts of rewards that other people receive when they go to work.

The Business Services Wage Assessment Tool was first developed in 2003 and the tool measures an employee's productivity and competence in performing a job. It is used to determine the wages of about half of all Australian disability enterprises. However, as has been mentioned by previous speakers, two employees recently challenged the Business Services Wage Assessment Tool in the Federal Court. The Federal Court found that the tool discriminated against these employees and that, hence, it could discriminate against other employees. The Federal Court found that a supported employee with an intellectual disability may never be able to meet the competency component measured by the tool, so further representative proceedings are in train.

This brings me to the comments by the member for Barton. This shows that this is not an open and shut process; rather, it is an ongoing process. There has been a 12-month exemption put in place because this is state legislation. The exemption is giving 12 months for the final tool to be developed and I really hope that it is done with the proper level of community consultation. That exemption was granted in April this year.

This is a very complex issue, as has been stated by previous speakers in this debate, and Labor understands that. We want the best legislation to be put in place and for the best protection to be provided to workers with an intellectual disability. We understand that it is because this issue is so complex that the government has decided to establish the payment scheme set out in this bill today. The idea of the scheme is to provide some reassurance to support employees, their families and their carers. The payment scheme will commence on 1 July this year and that is why it is quite important for it to pass through the House. Former and current employees will be eligible to participate in the scheme and to receive payment in relation to work they have performed in the past. It is critically important to Labor that people who choose to participate in the scheme do so on an informed basis. That goes back to the
financial and legal advice funded through the scheme. It is so important that employees are able to access that.

I encourage the government to get on with this very important job of developing a new wage assessment process that does not discriminate against anyone with any type of disability. I encourage the government to consult widely. I know that we on this side of the House want this to go to a Senate committee for an inquiry to look at all aspects of it. I think that is very prudent. I think that the overall emphasis of any legislation in the area of disability—particularly in the area of intellectual disability—should be ensuring that the people who will be covered by the legislation will be advantaged, not disadvantaged. I think it should be ensuring that the legislation will provide protection, not promote discrimination or set up a situation where people with an intellectual disability are exploited and receive low wages for the job they do and for their level of productivity. So, as the parliamentary secretary has said, the opposition will be supporting this legislation.

I will be watching very carefully to ensure that the government makes sure that fairness is encapsulated in the final legislation when the assessment tool is finally developed. I conclude by saying consult widely with everybody involved in this area. It is important legislation and we need to maximise the potential of people with an intellectual disability. This can best be done by having a proper assessment tool in place so that they get their recompense for the work that they do.

Mr Hogan (17:59): I commend the previous speaker. It is a very important bill and it is quite a complex issue that we are talking about. Sometimes when you talk about issues of fairness and equity, it can have the exact opposite effect. That is obviously why this bill is being considered. As we know, this bill is establishing a payment scheme for supported employees with intellectual impairments in Australian disability enterprises who previously had their wages assessed under the Business Services Wage Assessment Tool.

The payment scheme will help provide ongoing employment for employees with a disability. Mr Deputy Speaker, I am sure you are aware—because you are very active in your community and very well respected—that there are 193 organisations operating Australian disability enterprises in communities across Australia, supporting 20,000 workers with moderate to severe levels of disability. You might be interested to know that, as in all communities, I have a number that do absolutely fantastic work. What they provide these workers with disabilities cannot be measured in financial gain; they provide them with a sense of purpose and with social interaction and provide respite for carers and parents. I cannot name all the organisations in my community—there are so many—but some are Caringa, Windara in Casino, Summerland House, the House with No Steps, which operates extensively throughout my community.

Another enterprise is a group called Multitask. The people who run Multitask were so concerned about the issues that this bill is responding to that they asked me to go to visit them and their workers to see what they do and the benefit it provides everyone in that facility. Graham Mapstone, the CEO of Multitask, invited me out. Raelene Vincent, Kim Vincent and Joe World showed me around. I had the pleasure of meeting the 40 or so people working there that day. They all came up to me and pleaded that ‘We don’t want to lose the option of coming here. We want Multitask to be able to offer this service.’ There are many reasons beyond the financial that they are there, but they were so passionate about it. After my visit, Miss Leanne
Maree Butt rang my office and insisted that she come to see me to reinforce the importance of the organisation. She wrote me a poem, which she has asked me to read out in parliament, and I will. The poem is headed 'Challenge Multitask Meeting with Politicians'.

   Just come and sit down for a while or two,
   Politicians, as well as us usual people,
   If you take our jobs away from us,
   It leaves us poor and bored,
   For there is nothing to adore.
   Sit for a while
   With a happy go lucky smile
   Upon our facial dials.
   Dear politicians just think for a while
   And leave our jobs for us, please,
   So that we can wear happy go lucky smiles
   Upon our facial dials for a fairly long time.

It is a lovely poem and I think it epitomises the passion and the reward she gets from going to Multitask—the benefits for her from going there two or three times a week are intangible. She engages with her friends there, and she has been doing it for many years.

The DEPUTY SPEAKER (Mr Broadbent): I should say to the member for Page that that was excellent.

Mr HOGAN: Thank you, Mr Deputy Speaker. Some of the people I met there have been going to this place for decades. Their very elderly parents were with them, and these parents were pleading with me, saying, 'Please don't let the changes that are mooted mean that this won't happen any more.' Sometimes their children were in their 20s and 30s and even older, but the benefits they get—I know, as a compassionate person, you understand this, Mr Deputy Speaker—are not financial rewards but all the intangibles.

Due to legal proceedings concerning the Business Services Wage Assessment Tool, which may take some time to resolve, the government has rightly decided to establish a payment system to give reassurance to supported employees, their families and carers to remove perceived liability that could impact the ability of Australian disability enterprises to deliver ongoing employment support. The payment scheme provided by this bill will allow registration from July for payments to former and current employees in relation to work they have performed in the past. The payment scheme will deliver payments to eligible workers as quickly as possible. If a person is eligible, the payment will be calculated based on half the amount the worker would have been paid, had the productivity element only of the Business Services Wage Assessment Tool been applied.

If the payment amount works out to be greater than zero, the eligible applicant will receive a letter setting out an offer to pay that amount and the time in which the applicant may accept the offer. During the acceptance period, the applicant must seek independent financial counselling and legal advice, because we want everyone to go into this informed and aware. Access to a legal adviser and a financial counsellor is funded through the scheme, and certificates from the financial counsellor and the legal adviser must accompany the applicant's
acceptance of the offer. Again, as you can see, Mr Deputy Speaker, we are doing everything we can to ensure that people go into this very informed and comfortable with what is going on.

Payment will be made once valid acceptance has been lodged by an eligible applicant. To ensure people with a disability have the opportunity to provide further information or raise any concerns, the scheme will have both internal and external review processes. It is the applicant's choice—again, very important—whether he or she receives a payment from the payment scheme. If the applicant accepts an offer, he or she will cease to be a group member of the representative proceedings and will be unable to make any further claims in relation to the assessment of wages under the tool. In the longer term, a new wage assessment process will be developed for use in Australian disability enterprises. This will obviously be ongoing over the next little while. It is also something that is going to have to be done very carefully, because this is one of those situations where we do not want to throw the baby out with the bathwater. This is a very important sector of our community for people with a disability and we must make sure that it survives. However, the government's immediate priority is to ensure minimal disruption to the employment of supported employees. The payment scheme established by this bill demonstrates our ongoing commitment to improving certainty for those involved.

Mr BANDT (Melbourne) (18:08): The reason that we are debating the Business Services Wage Assessment Tool Payment Scheme Bill 2014 and related bill in this parliament is because of two men, two Australians: Mr Nojin and Mr Prior. Mr Nojin is a worker who has cerebral palsy and epilepsy. He worked in an 'Australian disability enterprise'—a term of art used in the sector. He worked for a place called Challenge. One of the services that were offered by Challenge in which Mr Nojin was employed was secure document destruction. It is not the kind of business that is limited to disability enterprises but a business of the kind that you see generally in the office world. There were some other services that the enterprise offered but they were often on a fairly small scale.

Mr Nojin was asked to do a number of tests and tasks when he arrived there that corresponded with some of the work that he did. He was asked to collate pamphlets, which involved inserting fliers into pamphlets; pen assembly, which involved fitting a ballpoint ink insert into a wooden pen casing; and feeding one crate of pre-sorted documents through a mechanical shredder. The court ultimately said—and I will come to the court case in a moment—that these tasks were simple and repetitive and involved no element of decision making. There was no need to apply abstract concepts to the work that was being done and, in each case, the work involved simple physical manipulation of limited items.

Mr Prior, the other worker who is the reason that we have this bill, is someone who is classified as legally blind, although he did have some vision. He was also classified as having a mild to moderate intellectual disability. He worked for a different enterprise and, at the time of his first assessment under the test—the assessment tool that is the subject of this bill and the subject of the court cases—his time was split evenly between mowing lawns and some other general gardening tasks. At the time of his second assessment, 90 per cent of his time was actually spent mowing lawns. He was a blind worker, with a mild intellectual disability, who was mowing lawns. The other 10 per cent of his time was spent raking and disposing of leaves, and he worked under direct supervision. When he went to work, they timed him and
assessed how good he was at doing this work. It was found that he took 14 minutes to mow a
five by 10 metre area of lawn and his supervisor took nine minutes to mow a similar area—so
he took longer but it was not even twice as long as his supervisor. Again, you can look at the
tasks that he was performing and, like Mr Nojin in the document centre, you can see that they
were relatively simple and straightforward tasks that they were required to perform.

Then came the question of how much to pay these two workers, one of whom was mowing
lawns and the other of whom was working collating documents and shredding documents and
the like. This is when the enterprises applied what is called the BSWAT, Business Services
Wage Assessment Tool, which is the subject of this legislation. When the enterprises put them
through that assessment and applied that tool, they asked them questions that bore no
relevance to the work that Mr Nojin and Mr Prior were doing, but it had a huge impact on
them. When they were asked some of the questions—and I will give examples of some of
them in a minute—these two intellectually disabled workers scored low; in fact, for some of
the tests they scored zero. As a result, their pay was substantially cut.

Mr Nojin, for example, was assessed as competent for everything, except when they asked
him questions like 'What workplace meetings do you attend, and what are these meetings for?'
I think this is something that everyone who works in an office anywhere in Australia probably
asks themselves a lot of the time, but they asked him and he could not give an acceptable
answer and so he scored zero on the test for that part. They asked him questions like, 'What
are some other jobs that people do here?' Again, it was not very evident that it related in any
way to the work that he was doing. He could not answer it, so he scored zero.

Mr Prior was also asked questions which he found difficult to answer because of his
intellectual disability and which were not related to the mowing of lawns that he was doing.
For example, they asked him, 'How can you help others at work?' He replied that he would try
to get involved—and apparently that was not a good answer and so he was marked down.
As a result of going through these tests and scoring zero for a number of things that were not
related to the work that he was doing, Mr Nojin ended up being paid $1.85 an hour for doing
work for an enterprise that he, by all accounts, including the account of his supervisor, was
doing very, very well. It was just that when this tool was applied to him and he scored zero on
a number of things, he lost money. It was the same with the other worker. As a result, they
very, very bravely took the matter to court.

They took the matter to court believing that they were productive workers who were being
massively underpaid, courtesy of a tool that the government had in fact approved. They
argued that it was unfair and discriminatory, because someone who had an intellectual
disability was never going to do well on that test and was always going to lose money, even
though they could do the job very, very well. In fact, Mr Prior, the lawn mower, at the time of
the case going to trial had left that job and was working at Stawell Drycleaners, earning five
times the wage that he had previously been earning. The full court of the Federal Court said to
these two workers, 'You are right. This tool discriminates against you and this system that we
have in place does not allow for you as workers with a disability to be paid properly in
accordance with your productivity. In fact, by definition, especially if you are a worker with
an intellectual disability, you will end up being worse off.' So they won. They were two
courageous employees with a disability who took on the system and won. The full court of the
Federal Court said, 'Yes, you're right. You deserve to be paid more.'
It takes a lot of guts to stand up and be the first ones to go through a legal challenge, but they did it. They did it not just for themselves but also for all those other tens of thousands of workers with a disability who also feel that they are being underpaid at the moment. Those workers have begun a class action to say, 'Just as Mr Nojin and Mr Prior got their just entitlements by going through the courts, so too are we entitled to do that.' This class action, for up to 10,000 workers, is underway.

It is because of that class action that we are seeing this bill. It is because the government now realises that, if Mr Nojin and Mr Prior were successful and were entitled to the basic principle of being paid in accordance with how good your work is, perhaps all of these other workers are as well. So, in what is nothing more than an attempt to derail this class action and disadvantage up to 10,000 workers with a disability in this country who are hoping for justice, the government has brought in this bill. The solicitor representing these employees with a disability calls this an abuse of power—and she is right. She says that it will mean that those up to 10,000 workers who have a disability are likely, if they are successful in their claim, to have their compensation and their payments, the wages for their productive work, cut by about half. In other words, this bill is being brought in to head off a class action being brought by up to 10,000 workers with a disability.

In that respect, I am not surprised to see the government take action to ensure that the most vulnerable of workers do not get what they are legally entitled to, like Mr Nojin and Mr Prior did, but I must say I am surprised that Labor is supporting them. I am surprised that Labor is supporting the derailing of a class action being brought on behalf of up to 10,000 employees with a disability. I hear some hope in the comments from the Labor speakers that this matter will go to a Senate inquiry and they will look at it. If, when this goes to the Senate, given that Labor and Liberal are going to vote it through here, the Senate inquiry does not change their minds, at a minimum Labor should look at how to protect those 10,000 workers who currently have a class action on foot. Otherwise, Labor will be responsible for saying to those 10,000 workers, 'You are not entitled to the same justice and victory that Mr Nojin and Mr Prior got.' Labor will be saying to them, 'While those two got through the gate early and, my goodness, a court said they were being underpaid and as workers with a disability they should be entitled to payment in accordance with how they contribute to the workplace, no, we agree with the government that you don't have the right to your day in court and that you should be forced into a humiliating settlement of about half of what you otherwise might have been entitled to.'

It appears to be the case that, unfortunately, this bill will get through this House, but I am not without hope that the process of the Senate inquiry, and perhaps a moment’s reflection, will lead the opposition to understand that this is an unnecessary kick in the guts for up to 10,000 workers with a disability, at a minimum, let alone what it is going to mean for all of those who come afterwards. Everyone in this chamber and in the other place would agree, without a shadow of a doubt, that we need a system at work that encourages employees with a disability to get into work and stay in work. I think that would be universally shared amongst everyone. The question is: in this instance, with this bill, how much do you pay them? Do you pay them in accordance with their productive capacity and what they can contribute to a workplace? Do you say, ‘How do you stack up compared with a worker who does not have a disability?’ Or do you say, ‘We'll apply a test that allows you to be paid much, much less if you have an intellectual disability’? That is what this bill is trying to get around. It is trying to
erase the significance of Mr Nojin and Mr Prior, who took courageous action to hold a government to account. They deserve to be applauded and supported by this parliament; so does everyone involved in the class action who is following in their footsteps on the basis of their significant decision.

I conclude by repeating: it comes as no surprise that the coalition wants to take away the rights of low-paid workers, but I urge the opposition to have a rethink before this bill passes the Senate and to choose to stand up for those workers who are currently seeking justice through the courts and seeking the same right that every one of us would ask for, which is, 'Pay me according to the worth of the work that I do, not who you think I am.'

Ms LEY (Farrer—Assistant Minister for Education) (18:22): I am delighted to sum up this bill on behalf of the Minister for Social Services. These bills deliver on the government's priority to ensure minimal disruption to the employment of supported employees. The payment scheme established by the bills demonstrates our ongoing commitment to improving outcomes for supported employees, their families and carers. I would like to note the government's appreciation for the opposition's support of this legislation. I would like to recognise the kind remarks by speakers on both sides of the House and recognise too every member of this place and their support for those who work in supported enterprises and those with disabilities entering, leaving or participating in the workplace. These important bills will provide Australian disability enterprises and the 20,000 workers they support with greater certainty to operate into the future. I thank the House.

The DEPUTY SPEAKER (Mr Broadbent): The question is that this bill be now read a second time.

A division having been called and the bells having been rung—

The DEPUTY SPEAKER: As there are fewer than five members on the side for the noes in this division, I declare the question resolved in the affirmative in accordance with standing order 127. The names of those members who are in the minority will be recorded in the Votes and Proceedings.

Question agreed to, Mr Bandt and Mr Wilkie voting no.

Message from the Governor-General recommending appropriation announced.

Third Reading

Ms LEY (Farrer—Assistant Minister for Education) (18:28): by leave—I move:

That this bill now be read a third time.

Question agreed to.

Bill read a third time.

Business Services Wage Assessment Tool Payment Scheme (Consequential Amendments) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.
Third Reading
Ms LEY (Farrer—Assistant Minister for Education) (18:30): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Family Assistance Legislation Amendment (Child Care Measures) Bill 2014
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Ms KATE ELLIS (Adelaide) (18:30): I rise to outline that the opposition cannot and will not support the Family Assistance Legislation Amendment (Child Care Measures) Bill 2014 in its current form. I move:
That all words after "That" be omitted with a view to substituting the following words:
"the House declines to give the Bill a second reading as:
(1) the Government has failed to provide sufficient information about the impact on families of the changes to the Child Care Benefit;
(2) the Government has not completed an assessment of impacts on workforce participation of the changes to the Child Care Benefit;
(3) the changes to the Child Care Benefit should not be legislated just weeks before the Productivity Commission inquiry into Childcare and Early Childhood Learning provides its interim report;
(4) families have not had a chance to have their say on these changes; and
(5) for these reasons, calls on the Government to remove the changes to the Child Care Benefit, set out in Item 2 of Schedule 1, from this Bill, to allow separate and fully informed consideration by the Parliament of the changes to the Child Care Rebate and the Child Care Benefit."
I move this amendment because this is a bill before the House that is built on total and utter hypocrisy. It is hypocrisy because this comes from the Prime Minister who promised 'no cuts to education' but since being elected has announced the biggest ever cuts to schools and massive cuts to universities and is now attacking the earliest part of our education system through these and other cuts to early childhood education and care.

It is a bill based on hypocrisy because the Prime Minister himself wrote to childcare centres across the country in the lead-up to the election promising to address affordability and saying that caps and freezes on childcare assistance would have the impact of 'increasing out-of-pocket costs for families'. But everything this government has done is driving up the cost of child care. Now they have the audacity to come into this parliament and introduce exactly what they were out there campaigning against in the lead-up to the last election.

Ultimately, how can those opposite come in here and push ahead with a paid parental leave scheme that will deliver $50,000 cheques to millionaires while at the same time introducing this bill attacking the existing childcare support that people who earn just $42,000 a year rely upon each and every day? Members opposite might get upset about that—that they are supporting handing out large cheques to those wealthy families who do not need them. But then they come in here and attack low- and middle-income families in this bill which those opposite have the audacity to support.
We also know that this is a government that set up a Productivity Commission inquiry to inform any changes to the childcare system but is today coming in here and proposing significant changes and drastic cuts just weeks before we will see the Productivity Commission's draft report. There is hypocrisy in this bill, because the Prime Minister says that it is a priority for this government to improve women's workforce participation but today his government has introduced a bill that cuts modest, means tested support for low- and middle-income families and women. Those are the very same women for whom the cost of child care is the biggest barrier to them returning back to work.

This Prime Minister said:

We will make child care more accessible and more affordable for Australian parents.

But in this bill he is doing exactly the opposite. He is hitting the family childcare assistance that so many thousands of Australian families rely upon. We also know that the minister at the table told this parliament in 2010 that removing indexation would:

... further increase the financial pressure on Australian families who are already struggling to meet the costs of child care.

But that is exactly what this minister and government are doing in this very bill.

We know that more than 978,000 families across Australia rely on childcare support on a daily basis, and each and every one of them could stand to lose if this bill is allowed to proceed in its current form. Before the election, the government promised more affordable child care. If they were serious, if this were not just another one of the mistruths they peddled to the Australian public in order to get elected, they would not have cut almost $1 billion from early childhood education and care since coming to office. But that is exactly what they have done: $450 million for outside school hours care—gone; $157 million for family day care services—gone; support to help parents complete study and get back to work—cut; programs to increase the number of childcare places—gone; Indigenous child and family centre funding—gone; and support to raise the wages of educators—gone. And now we see before the parliament an attack on the very backbone of the childcare support system—the childcare rebate and the childcare benefit have been cut. They have been cut by those who hypocritically went around campaigning against measures to pause the childcare rebate.

I want to talk for a moment about the measures in this bill and the impact they will have on the childcare rebate. Never before have we seen moves to cap the childcare rebate come before this parliament without that funding being directly reinvested into early childhood education and care. Because of this freeze 74,000 families will reach the childcare rebate cap in 2014-15, and 150,000 families will reach the CCR cap in 2016-17—a total of around 15 per cent of families.

The government knows the impact of this cap will grow in time through bracket creep, but the savings put forward on CCR alone—freezing the cap until 2016-17—will see over $106 million cut from childcare assistance for Australian families. When we were in government we massively increased the cap on the childcare rebate from $4,354 to $7,500. The remarks the assistant minister made about Labor in the past freezing the cap on CCR are quite true, but it was done only temporarily and only ever to offset the cost of important investment in improving the quality and affordability of child care by contributing towards the National Quality Framework and towards wage increases for low-paid educators in order to reduce turnover in the sector.
In opposition, the now government opposed freezing the CCR cap, even when the money was to be reinvested into the childcare sector. Before the election, the now Prime Minister personally wrote to every childcare centre across Australia about the impact capping the childcare rebate would have on families, saying it would mean 'increasing out-of-pocket costs for families'. Yet today that is exactly what he is doing. This Prime Minister and this government are once again doing exactly the opposite after the election to what they told the Australian public they would do.

Childcare support is absolutely essential to provide a financial incentive for parents to re-enter the workforce, particularly mothers. The cuts that are before the parliament will mean that many parents will simply not be able to afford to return to work. This will have huge impacts on productivity, on workforce participation and on women's superannuation savings later in life. We know that once a family reaches the cap for each child, there is no more assistance for child care and they must meet the full cost, and there will be 150,000 families in this situation as a result of this bill and this government's hypocrisy when it comes to the childcare rebate.

Labor does not support cuts to child care. What we see before us now are savings, plain and simple. There is no reinvestment, and there are no new programs and no improvements to services. There are just cuts, and massive cuts at that.

This is a proposal of government and they must take responsibility for it. If the government is listening, and they do respond to our call to split this bill, we will outline our opposition to these childcare rebate cuts and the impact they have, but we will not prevent them from progressing through the parliament.

What I want to particularly focus on is the outrageous attacks that this bill contains on our childcare benefit system. Never before has any government even thought about attacking the means-tested and targeted childcare benefit payment. To understand the impact, and just how outrageous and retrograde this measure really is, it is important that we look at the childcare benefit—who is receiving it and what it goes towards. This is a payment that starts to cut out when families earn just $42,000. That is who this government is attacking in this measure. It is a payment that tapers out as income rises. It is a modest, targeted and means-tested payment. For many women and families this payment means the difference between being able to afford to go to work or not. It is fair and it makes sure that the most help goes to those who need it most.

What better example of just how twisted this government's priorities are than the fact that under the Prime Minister's signature paid parental leave policy they are quite happy to send $50,000 cheques to millionaires? If you want to lift women's workforce participation, everyone knows that you target assistance to low- and middle-income earners. That is where the government can make the biggest impact. But what are they doing for low- and middle-income earners? They are cutting and attacking the modest, targeted childcare benefit that these families rely on.

Instead of investing where it counts, this government is attacking where it will hurt the most. Cuts to childcare benefit — the targeted, means-tested payment for low- and middle-income families, who all too often bear the brunt of this government's attacks—totalling $230 million will permanently decrease the affordability of child care.
The minister opposite knows this. On 11 September 2012, she said:

There are parents having to make the heartbreaking decision to leave the workforce because their wages do not cover the cost of child care.

Yet in government they introduce this never before seen attack on the childcare benefit. On another occasion, the minister said:

We have no intention to make childcare less affordable and every intention to make it more affordable.

Minister, I ask what the intention is with this piece of legislation, because it will make childcare less affordable, it will cripple the workforce participation of many families and many women out there, and it will mean that some of the children who have the most to benefit from critical early-childhood education are denied the opportunity to get just that.

It is not families on high incomes who will decide that the cost of child care simply makes going to work unviable. It is people who work in hospitality, in retail, in agriculture, and many of the health sector workers. They are the ones who this measure will hit hardest. We simply do not know exactly what impact this unprecedented attack on the childcare benefit will have, and we do not know because the government simply did not bother to find out. The education department says that more than half a million families will have their childcare assistance cut because of these childcare benefit changes. But that is where the information stops. Whilst the department has said that ‘around 500,000 families will receive less childcare benefit’ as a result of this proposal, we do not know exactly who is impacted, where they live, how much they earn, what jobs they do, and what impact this will have on workforce participation. It is arrogant, it is heartless, and it is deeply irresponsible for this government to have made a decision of this scale—one that has the potential to impact up to one million families—without having any meaningful information and without bothering to do any modelling on what the impact of it will be.

Instead, this government is trying to rush changes to the childcare benefit past the parliament in a sneaky and underhanded way. This is not good enough. The government needs to come clean about the facts before even asking this parliament to consider this bill. As the deputy secretary of the education department told estimates, ‘We have not done that level of analysis.’ They do not know who it will affect, do not know how badly they will be affected and do not know what the impacts on workforce participation will be. I say it is not good enough to bring this bill to this parliament when you have not bothered to do your homework. I say that the Australian public expects better from this parliament and expects better from this government than this cruel and underhanded attack. It shows arrogance and utter disregard for Australian families that the government would press ahead with these changes without undertaking a proper assessment of the financial impact that this is going to have on Australians.

The government is trying to make changes before the community even has an opportunity to understand their impact. In the five days that stakeholders were given to comment on this bill when it was referred to committee there was an incredible response. It was as though the Prime Minister had declared war on parents and children, saying it was some kind of emergency. But so retrograde are these cuts that stakeholders have rallied in just those five days. I want to share some of the thoughts of stakeholders who have actually had the chance
to be consulted, unlike the parents and families across Australia. Early Childhood Australia said:

Freezes to the Child Care Benefit thresholds will have a significant impact on low and middle income families accessing early childhood education and care services and should not be supported.

The National Welfare Rights Network's submission on the bill said:

The government has announced a budget that hits families on low to middle incomes the hardest (eg by proposing to cut family tax benefit B payments for single parents with children over 6). This Bill only adds to the financial strain on families and has the potential to undermine their ability to access child care.

Particularly telling was the business perspective, pointing out, again, the government's twisted and wrong priorities. We heard from the Australian Industry Group in its submission on this bill:

The Government's proposed 'gold plated' Paid Parental Leave (PPL) Scheme should be abandoned and the existing PPL Scheme retained. This would allow additional funding to be devoted to child care measures. If additional funding was available through the abandonment of the proposed PPL Scheme, the measures in this Bill may no longer be necessary.

So, if those opposite are looking for a solution, the Australian Industry Group has put forward one option right there—an alternative to cutting the support that is so critically important for low- and middle-income families.

It is also utterly illogical for the government to make these significant changes to the childcare benefit at this time, at the time when their very own Productivity Commission inquiry into child care and early childhood learning is underway. The PC inquiry is due to hand down its draft report in just weeks—in July—and its final report in October this year. The government has put in train its own process for making changes to child care that are ridiculously undermined by pursuing this bill at this time.

The minister has said countless times that the Productivity Commission review will solve issues of affordability, availability and flexibility. If she really believed that, though, she would not be undermining and pre-empting the entire inquiry with the drastic and terrible measures in this bill. There was more hypocrisy from the minister when we heard now Assistant Minister Sussan Ley say in September 2012:

We have a very sensible approach to ask the Productivity Commission to examine those settings, to have a look at the entire world of female participation in the workforce—usually it is female—and at the cost and availability of child care.

These changes to the childcare benefit will create uncertainty for parents and for the sector. And this has not been missed. The submission to the bill by Goodstart said:

Goodstart believes that while the inquiry is underway, current policy settings and indexation should be maintained to ensure affordability for families.

And the Community Child Care Co-operative of New South Wales said:

To make such changes in the context of a wide ranging review into the provision of early education and care in Australia (Productivity Commission Inquiry) seems to be contradictory to the development of sensible, well developed policy.

Also, the government promised that the Productivity Commission review would at least maintain the same 'funding envelope' as is currently dedicated to child care. But this is a
government desperately trying to reduce the size of that envelope by cutting $1 billion from childcare since coming to office. Any responsible government would not even pursue these wide-reaching childcare benefit changes without understanding the full impact, without receiving its own Productivity Commission review report first, and without letting families have their say on an issue that is going to be of such critical importance to their workforce participation.

Cuts to childcare benefit will have a huge impact on the workforce participation of parents, particularly mothers and particularly those with more than one child or those who are low- or middle-income earners. Research shows that the relationship between childcare affordability and women’s workforce participation is strong—that a one per cent increase in the gross childcare price results in a decrease in a mother’s employment rate of about 0.7 per cent. And lower-income families have been proven to be the first to drop out of work as childcare costs increase. This was a point the Australian Childcare Alliance made when they said:

In the 2013 ACA What Parents Want Survey 48 per cent of respondents indicated that they would decrease their usage of childcare or withdraw their child completely if out-of-pocket childcare fees increased by 10 per cent.

Now, we know that the Prime Minister has the wrong priorities. We know that attacking existing practical support for low- and middle-income families and women returning to work at the same time as continuing to argue for the $50,000 payments in paid parental leave for high-income earners is just plain wrong. We know it, the Australian public knows it, and I am sure that some of those opposite might be able to see that that is a clear indication of badly twisted priorities.

The government also looks set to provide taxpayer funding for nannies and au pairs, specifically asking the Productivity Commission to look at how it could be done, even though we know that nannies are one of the most expensive forms of care and that they are not covered by the National Quality Framework. Just like the rest of this unfair, cruel and heartless budget, these childcare cuts will hit those who can least afford it. Early Childhood Australia modelling on the combined impact of the proposed childcare benefit and childcare rebate changes indicates a family on less than $60,000 with one child in care will be out of pocket by an additional $1,800 a year, and a family on $100,000 with one child in care would be out of pocket by an extra $3,600 a year by 2016-17, taking into account these changes and the rising cost of care.

Of course, maybe we should not be surprised by the hypocrisy of the Abbott government when it comes to child care and early childhood education. We have had enough evidence to suggest that this is a very strong pattern. We have seen ongoing and constant attacks on the childcare sector. We have seen the Abbott government declare war on family day care services, with the budget cutting $157 million from assistance to family day care services, which will be passed on to parents through higher fees and will lead to family day care educators closing down. We know that there are more than 400 family day care services and 140,000 children in family day care across Australia. Family Day Care Australia has estimated this one cut, this one attack, will drive up fees by $35 per child per week.

Childcare benefit, childcare rebate, family day care—all of them cut, all of them attacked by this government, who said ‘no cuts to education’. Sadly, it does not end there. In one of the most despicable examples of attacking those that can least afford it, of making those that are
out there struggling in our community do the heavy lifting resulting from this government's unfair budget, the budget contains changes to the jobs, education and training child care fee assistance. These changes will limit the number of places for those people who are on income support, who are out there studying, trying to get back into the workforce so that they can get off the welfare payments the Treasurer claims he would like Australians to get off so quickly. They will lose access to their JET child care payment. The budget caps assistance at $8 per hour and cuts the maximum accessible hours from 50 to 36 per week. Again, this is total hypocrisy from a government who claim that they want to see people out there in the workforce yet are cutting every support to help them get there.

We saw earlier that this government will not hold back when it comes to attacking the education sector. We saw the Abbott government cut $450 million from outside school hours care. This money would have funded new places, new services and extended hours and would have delivered better programs. We know that work does not finish the moment the school bell rings at three o'clock. Outside school hours care is a necessity if people are going to be able to continue to participate in the workforce. After stagnating under the Howard government, outside school hours places increased by 100,000 under Labor, with over 335,000 children currently in care. There is a shortage of outside school hours care places in many areas across the country, and this savage cut of $450 million—from a government who said no cuts to education and who said that they would make child care more accessible and affordable—will make it harder for parents with school age children to return to work.

Continuing the pattern, the government has cut the $5 million Child Care Accessibility Fund, despite receiving grant applications from councils across Australia looking to increase childcare places in their local area, looking to tackle the waiting lists that meant that people could not take up work opportunities. This funding was to be used to create new places, expand centres, cut planning and development red tape, free up vacant land for childcare centres or incorporate child care into schools and TAFEs.

Perhaps in one of the lowest blows on limiting the access to early childhood education and care for those children who have the most to benefit from it, this government also discontinued funding for the Indigenous child and family centres which were being set up across Australia in the areas they were required in the most, making it even harder to close the gap for these children.

One thing I hope we all know in this parliament is that the first five years are critically important to a person's life outcomes. We have seen all the research. We know that 90 per cent of brain development occurs in the first three years alone. This is why early childhood education and care is so important, and why Labor worked so hard to reform the sector, to increase the funding available, to increase quality and to work to increase staff retention and ensure that we value the educators. Research also shows that early childhood education is particularly important for children from disadvantaged backgrounds. That is why the government's attack on childcare affordability—particularly on the childcare benefit and through JET child care funding—will have such incredibly damaging long-term consequences.

Australian studies show that children who attend preschool or kindergarten go on to score significantly better in their year 3 NAPLAN tests. This is also backed up by international research that shows that Australian students with one year of pre-primary education achieve
more highly in year 4 reading, maths and science. We know how important this is. We know that this is one of the best investments that this country can make to ensure that children from disadvantaged backgrounds go on to have improved health outcomes, educational outcomes and social outcomes. Yet this government is intent to slam the door shut in the face of the Australian children who need them and need this support the most.

Labor will be doing what the government has not. We are demanding that this government produce detailed information about the financial impact these changes will have on Australian families, and we will be talking to communities about what impact these measures will have on them. We will be talking to parents looking to return to the workforce to find out whether these changes, these attacks on the childcare benefit, will take away the financial benefit from working—and to find out just how much extra they will be forced to pay. We will find out what stakeholders and employers think of these changes. Unlike this government—who seem intent on undermining their own childcare review by making drastic cuts to the system when the first report is due in just a few weeks—we think that the childcare review report should be available for consideration before major changes to the existing childcare system.

Now it is up to the government to do the right thing—to listen to what Australians actually have to say about these cuts to their childcare support. I challenge those members opposite—each and every one of those who will rise and speak on this bill—to justify how they are defending the Prime Minister's non-means-tested paid parental leave scheme but supporting these cuts to modest and targeted assistance for low- and middle-income families. It is a challenge they will struggle to rise to here tonight. But, even more—and even more importantly—it is a challenge few of them would be brave enough to rise to in their own communities, at their own local street corner meetings or in their own local shopping centres. How can those opposite stand up say, 'We will support $50,000 cheques to wealthy families who have a baby, but we will support cuts to the modest, targeted and means-tested childcare benefit that goes to families on as little as $42,000 per annum'?

I challenge those opposite to say how those priorities are not very twisted and wrong. Why is the coalition defending $50,000 cheques to millionaires but silently supporting these cuts to the practical, everyday support that over half a million low- and middle-income families rely on? How can those opposite defend this bill? How can they defend this cruel budget and these wrong priorities? How can they defend being part of this government at all when they introduce measures such as this unjustifiable attack on the childcare benefit?

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

Mr Butler: I second the amendment.

Mr LAMING (Bowman) (19:01): You could almost be forgiven, having listened to that previous speech, for not realising that we have probably one of the highest quality childcare systems in the world. It is a system that balances affordability with access and the needs of vulnerable children. There is no doubt that all systems can be improved, but there is also no doubt that what the coalition inherited was a system in stress. I will go into a bit more detail about that later.

What is a little more concerning is that the shadow minister sat down with time remaining, ran out of material and virtually exclusively read from notes—speaking with almost no departure from them. Given that she has been in this portfolio now for four years, you would
have hoped that she would be in a position to speak extemporaneously about this area. It is breathtaking that she still, to this day, cannot do that.

We want the highest quality child care in the world. There is no doubt about that. We have to cater for the 24/7 needs of families, mostly young families of course, who are moving between needing occasional care, long day care and, in some cases, family based day care. If we want to be a fast-moving economy, we are going to have to respond to the needs of our skilled workers and ensure that at no time does seeking out access to child care become a barrier to entering the workforce. We still tend to forget, however, that child care is genuinely about preparing the child for school as much as it is about freeing up the parents to enter the workforce. Childcare operators and their staff do a brilliant job balancing those competing needs. There will be no easy solutions. As a new father, Deputy Speaker Vasta, you can yourself well understand that there is always a need to balance affordability, the viability of the service and remuneration of the staff who work there.

Labor had a chance to improve the childcare system over the last six years. I think almost everyone would agree, however, that apart from a well-meaning but failed attempt at a quality framework the situation in child care barely changed over that six-year period. The legislation we are considering today quite rightly looks at the childcare benefit thresholds, looks at the limit on the childcare rebate and proposes three-year freezes on those amounts. The opposition has devoted almost all of their attack at the issue of the childcare benefit, mindful that about a million families that are eligible for childcare payments will, on average, be seeing a change of around $230 to $300 per person per year. They fail to mention, however, that that compares to the $3,500 increase in fees for that same child that we saw under the Labor administration. We are talking about an absolute drop in the ocean compared to the loss of control over fees that we saw under the Labor administration.

What do we have here? We have a childcare sector of $28½ billion; we have a commitment from the coalition to look at occasional day care, which was cut by Labor; and we have a determination to make long day care professional development available to all 44,000 educators and all 6,000 childcare centres in the system. We will not embark on anything like what I think was one of the most shameful pieces of social welfare policy that I have seen for a number of years—Labor's Early Years Quality Fund, a program that basically siphoned money to union-friendly applicants.

This was your classic childcare pinata. Labor filled the fund with money, lined up all of their own mates—mostly large providers—and gave them first bite at the cherry. You saw this almost unseemly display of childcare providers in the know scrambling for the dividends, while smaller operators, who did not realise that they had only 13 hours to put in their application, missed out. In Bonner, in Bowman and in every electorate around this country, well-meaning, committed childcare operators missed out completely because they were not in the know and not in a position to apply. It was unseemly and, as has already been independently identified, was really used as a membership drive for the unions to set up enterprise bargaining agreements—which quadrupled over the period of that fund. It was shameful. It was embarrassing. You would hope that no government would stoop to that level, but in fact they did.

The opposition's main attack is on the issue of low-income earners. It is only right that this place focuses on the needs of low-income earners. But, like all payments in Australia and in
developed economies, yes, childcare payments taper. I do not think that is news. Between $41,907 and $97,632, you see a tapering of the childcare benefit. In many cases, however, those families are also eligible for the childcare rebate. It is exquisitely balanced and works very well. Yes, we would all like more and, if you are getting one dollar less this year than last year, I guess you can say you are worse off.

But I think everyone appreciates the bigger picture: that we have inherited a massive debt—due explicitly, uniquely and completely to the former Labor Treasurer's inability to balance the books, despite all his promises about one day returning to surplus. So, yes, it is true that there is a tightening of the belts and that we will see that in child care as well. But, as I have pointed out before, that tightening is only between five and 10 per cent of the burden on families that arose out of the total fee change we saw over the six years of the Labor government. There was a 53 per cent increase in childcare fees over that six years—3½ thousand dollars a year, or $75 a week, for the average parent per child in child care. That is a significant increase which Labor never got their head around.

Of course Labor were full of promises about the 53c a day that would be the likely increase in fees as a result of their quality framework. Despite the well-meaning efforts of a minister out of control and out of her depth, what happened was obvious—they created barriers for staff, they raised the requirements too quickly and they made it virtually impossible for a lot of these providers on the margins to remain viable. What did we see? We saw hundreds of providers unable to meet those guidelines applying for waivers, and we had the ridiculous situation where the Labor government was happily collecting $100 off these providers simply when they applied for a waiver.

The common sense approach to this was to be more flexible, but that was a word not in the vocabulary of the then Labor government, who of course brooked no variation. I am delighted that the coalition have streamlined and simplified this approach. They have allowed a three-month probation period for staff before they embark on training. Most importantly, they have offered flexibility for remote and rural providers, who operate in a completely different space. In many cases they cannot always rely on being fully occupied, and even in outer metropolitan areas of Australia—in areas like my own electorate—there is definitely an oversupply of quality providers and occupancy rates sit at around 70 per cent. That has a significant impact on viability, and it makes it even harder for these providers to adhere to the requirements of the national quality framework. Let us get one thing straight—that quality framework does not get diluted. We fully support high quality staff working in child care, but we also understand that these are small businesses who need time to adapt to new regulations and time to bring them into force—and the workers themselves need time to make the arrangements to gain those skills.

I have been distressed by what I think has been an inordinate focus on millionaires, and I have said this before. I have challenged Labor to come up with a millionaire who is in her late 20s or early 30s who might be having a child at the moment who does not work for a corporation that already gives her wage replacement, or who is not a senior public servant who gets wage replacement. The very Labor MPs who sit here and moan about the PPL scheme proposed by the Liberal-National coalition are the same union reps who barged into workplaces insisting on, yes, paid parental leave for their union members. Did one of those union members ever say, 'We want it at the minimum wage, we only want it for 18 weeks
and, by the way, forget about superannuation? Oh no, the unions were right up to their eyeballs wanting wage replacement for the members. That is exactly what they get in the Public Service and that is exactly what they get if they work in this building—wage replacement. That is exactly what they were chasing at every union meeting—wage replacement and not the minimum wage.

I still challenge the Labor opposition to find me that millionaire—find me the millionaire who stands to benefit from this arrangement that does not already work for a corporation or a large company that provides them with PPL or does not work already in a high position in the Public Service that enjoys, yes, wage replacement. That hypocrisy is laid bare. The only problem for Labor with the coalition's PPL scheme is that we proposed it. That is their problem, and that is why they are utterly focused on the search for a millionaire rather than the realisation that we can look in the eye every parent who decides to have a child and is earning more than the minimum wage and say, 'You are worth your wage while you go and do the most important of things for the nation, and that is to have a child—set up your financial arrangements in your household based on that wage and you can rely on a coalition government to continue that for six months and to provide you with the superannuation that you will need in your retirement.' That is why we found the cut-price Labor scheme not only obnoxious but also completely out of line with any other proposal bar one in the OECD.

Let us remember that we have a Labor government that over six years could not stop the double drop-off. Do you remember all the promises around that—the hundreds of millions of dollars that were going to lead to 222 childcare centres being built right next to schools? Every person in their right mind said, 'Gee, that'll be great, built right next to our school.' You would think that a Labor government presented with a job no more complex than spending money could have pulled that off. But no. We appreciate that bringing in a tax can be tricky, we appreciate that doing a major reform can present challenges, and getting legislation through this building might, but it was just a bucket of money and all they had to do was build childcare centres. Is there a simpler job in public life than spending money to build childcare centres? It is probably the easiest piece of contract management you can dream of. Out of 222, they got to 38. They ran out of steam and quietly cancelled the double drop-off program, on the second page of one of those perennial Kevin Rudd press releases.

We know that the quality framework became a problem for the Labor government, we know the double drop-off was too hard and then, to put the icing on the cake, they cancelled occasional care—only a relatively modest amount that looked after people particularly in regional areas who were working in highly variable occupations where they may have needed child care at very short notice. You would have thought that that would be right at the frontier of an adaptable and flexible child care system. You would think that the $13.8 million committed to that area would be money well spent. We all have to accept that we do not all have the same living arrangements, and some people who work in grazing or fruit picking or a highly mobile profession may well need child care at very short notice, with their shiftwork. Of course that was a bridge too far and too complex, for no other reason than it did not suit the unions. So that fund was chopped—but it comes back under the coalition.

In conclusion, the most vivid image that policymakers will have of Labor and child care, apart from a rote read speech from the shadow minister, will be that shameful display of the money grab for the Early Years Quality Fund. Many of my centres called me on the day of
application, and I simply said 'I hope you have your application in.' It has been independently reviewed as a sham, and I hope the Auditor-General will look at it in great detail. The money that was promised by the coalition government, that had already been committed, was in fact delivered, and the money remaining will be directed into looking after long day care professional development. You cannot ask for anything more than that—the idea that we will support the providers around the country in the 6,000 centres and give them an opportunity to increase their skills.

It is an impressive approach to engage the Productivity Commission. Just how hard is it to make a phone call or send an email to the Productivity Commission on this most complex area of child care before we dive into any of these policies? Why not engage the Productivity Commission? But it was an anathema to the other side—'No way will we in any shape or form engage the Productivity Commission.' It was a complete scotoma to the very good work that the agency could have done. It was the coalition government that proposed it in opposition and, for no other reason than it was our idea, it was fiercely resisted by the other side. That is disappointing.

There was evidence that it was the right thing to do. There were 1,000 submissions to that inquiry and half of them are online. We will get some fascinating insights into this most complex of sectors. I do not pretend for a moment that fees and out-of-pocket expenses are not a significant challenge, but, as many investigations have shown in the past, the out-of-pocket expenses are in many cases nowhere near as high as made out by opponents of the sector. We know that there is a certain cost that we have to assign to highest quality child care, looking after vulnerable children and making sure that all Australian children by the age of five are ready for school. This sector does an enormous job. It will benefit from the coalition's policies and will benefit more so by seeing the failures of Labor fade into the rear-vision mirror.

Ms CHESTERS (Bendigo) (19:16): The Family Assistance Legislation Amendment (Child Care Measures) Bill is another example of broken promises by this government to the Australian people. In starting my speech today, I want to touch on a couple of things that the member for Bowman just raised in his contribution. The member for Bowman and I are co-chairs of the group Parliamentary Friends of Early Childhood. Elements of his speech struck me because, in every event that we have held so far in this term of parliament, every speaker and every organisation has said that quality matters. Every speaker has said that our national quality framework is world-class and other nations are looking to Australia to adopt our very own national quality framework as it stands. So the comments made by the previous speaker attacking quality matters and attacking the framework strike me as quite odd because, even when we have the industry experts telling us that the reforms by the former Labor government were making a difference, we still have those in government saying the complete opposite.

There is the claim about paid parental leave. I find this also quite amusing because this is a government that in all other areas of IR is completely opposed to any form of pattern bargaining. This Liberal Party government is ideologically opposed to collective bargaining and workplace entitlements like annual leave and sick leave. My question to the government is: now that you are paying the paid parental leave for people, replacing wages for people, will you start to pay annual leave for people? Will you start to pay sick leave? Will you start...
nationalising all of industry and taking on the whole role of managing the Australian workforce?

On this side, we recognise and respect collective bargaining. The other side keeps talking about public servants and how they get replacement of wages. Absolutely they do, because they, through their union, collectively bargained for that right. What we have said on this side is that every woman who has a child or a parent who wishes to take paid maternity leave should get some payment. The employer and the workers, through collective bargaining, can then top that up. But what we have seen from this government is a skewing of workplace relations and moving into the space of almost pattern bargaining. If they want to have a debate about pattern bargaining, then bring it on, because I reckon that there are a lot of industries out there and a lot of workers ready to have the debate about bringing back pattern bargaining. But that is exactly what this government is proposing to do with paid parental leave.

As I said, this bill is another broken promise to the Australian people by this government. In opposition the coalition said that they were opposed to freezing the childcare rebate cap. They said that they would continue to fund childcare services through the national quality framework and better wages for low-paid educators, yet in government they have done the exact opposite. When it comes to the critical area of early childhood education and care, this government have broken a number of promises that they made to the Australian people before the election. These decisions are not only broken promises and they are not only mean decisions that will hurt families; they also do not fit with the government’s rhetoric about productivity and participation in the workforce.

Let’s start with the changes that they are proposing to make to the childcare benefit. The childcare benefit is means tested and it is targeted at low- to middle-income families. The payment increases as your income decreases and it increases as to the number in the family. In my electorate of Bendigo, in suburbs like Golden Square, this particular benefit enables women to get back to work. They are on lower incomes and they have two or three children. This benefit helps them get back to work. This bill will see $230 million ripped from the assistance that helps over 889,000 families who rely on it, including many in my electorate of Bendigo.

The education department told a Senate hearing looking over the bill that almost half a million families will receive less support as a result of these changes, but that is where the information stops. Another critical problem with this bill is that it is rushed policy. It is rushed legislation in this parliament to try to bring it on before families really know the impact, before there can be proper scrutiny and proper engagement with the industry and the families that will be affected. It shows utter arrogance and disdain for Australian families. It shows that the government will press ahead with these changes without taking into account the proper assessment of the financial impact to families. I believe that these changes will also take away the financial benefit of parents returning to work. It will simply be too expensive for one of the parents to return to work, and they will choose to stay at home because it costs them more in child care than what they earn in wages. And what do we know? It will be predominantly women who end up staying at home to care for children.

Perhaps this is the government’s plan. Perhaps this is the Menzies in the Prime Minister coming out—that 1950s view that the role of women is first to raise children and then maybe
think of a career. These changes will have a huge impact on workforce participation for parents, particularly mothers, those with one or more child and who earn a low income. And let's also be clear about the incomes that women earn. We have still not caught up in the gender pay gap. Women still work predominantly in industries which are lower paid. There will be pressure on them to drop out of the workforce because they are not receiving the support that they need from their government when it comes to meeting the cost of childcare fees.

The research also backs this up. Just a one per cent increase in the gross price of child care sees a resulting decrease in mothers' employment of 0.7 per cent. Every per cent that childcare fees increase, we see a decrease in women participating in the workforce. At the moment, the childcare rebate is non-means tested and covers 50 per cent of the out-of-pocket costs of care. This is where the government also fails to understand the direct link between wages and the quality and cost of care. We have heard speaker after speaker speak about how outrageous the national quality fund was, how it was really unfair and so on and so forth, but what it did was ensure that some of our lowest paid workers—who have skills and an education—got a pay rise of between $3 and $5 an hour that did not increase the cost of fees for parents. We on this side of the House know that, the moment fees increase, women and parents cannot afford it and step out of the workforce. Again, the cuts to the childcare rebate are another broken promise and will have further impact on women's participation in the workforce.

As I have stated, in opposition the coalition opposed freezing the childcare rebate. The Prime Minister even wrote to every childcare centre across the country, claiming that he would freeze the index on the childcare rebate, that it would be an unfair burden to place on families not to increase it. Yet now in government the Prime Minister has done the exact opposite and he is cutting assistance across the board to early childhood education. As I have mentioned, there has been a cut to early childhood educators' wages. Before the election, the government promised that they would honour the commitments made under the Early Years Quality Fund to increase the wages of qualified early childhood educators.

It is vital that we increase the wages for our early childhood educators. It is because of low wages that the sector has a high turnover. These are not low-skilled workers; these are people with a qualification, with a cert. II, cert. III, diploma or even degree, yet they are still on minimum rates of pay. Because of the low wages, there is a high turnover in the sector, and I know this from talking directly with educators in my electorate. They say to me when I am in their tearooms talking to them: 'I love my job. I find it rewarding. But I want to buy a house and, on my partner's income and my income, we simply cannot afford to buy a house because the wages in early childhood education are so low.' Educators are moving in with family members in order to pay their bills because the wages are so low in this industry. It is another broken promise by this government.

Yes, we acknowledge that the long-term correction of wages in this sector needs to be done through Fair Work Australia, but what the Early Years Quality Fund did was provide the early money to help bridge the gap until we got to that point, because Fair Work Australia does take time. It does take time to get the result that these educators are looking for. The Early Years Quality Fund was created as the first step on a very long path to professional wages, and it was essential to address the turnover issue being experienced in the sector. Every week 180 educators are leaving, driven away because of low wages—not because they do not like the
job, not because of job satisfaction but because the pay is literally too low for them to survive on. This cannot continue. As an early childhood educator said at the time the fund was created: 'This fund is recognition of my professional skills and qualifications. It's the first step towards a professional wage, and I'm excited.' She was not the only one who was excited for the first time to be recognised in her pay for her quality, for her education and for her skill.

This is why early childhood education and the investment in it is so important. We also know through the research that the first five years are the most important to a person's life. It is when 90 per cent of the brain's development occurs. That is why the national quality framework, which has been so attacked by this government, is so important. It is the framework that sets up early childhood education as education. It is making that fundamental shift from care to education. If we acknowledge in the science and the research that the first five years are the most critical then it is time we acknowledge them in the sector and invest in the sector properly.

Labor and I are not alone in saying that; the industry agrees. Wendy McCarthy from Goodstart said just recently, on Lateline:

… paid parental leave money will be much better put into investing in the first two years. Then women will go back to work.

If you want the best for your child then you want the best education. When asked the government's role in achieving this, Wendy replied:

The Government's role is to fund it.

She is not alone. The Australian Childcare Alliance and Early Childhood Australia have also said that the money that has been allocated for the paid parental leave scheme would be better invested in the early years, supporting the sector and supporting quality.

Quality does matter. If our nation's goal is to increase women's participation in the workforce then the solution is quality early childhood education and care. Parents want, and deserve to know, their children are going not just to a care institution but to an education institution. Without quality, affordable and accessible early childhood education and care, the Prime Minister's proposed paid parental leave scheme cannot succeed. It will not entice mothers back into the workforce because after six months what happens to those children? That is the critical flaw in the government's proposal. What is the plan? Come clean and tell women what you are really planning. Is it for them to stay at home? Is it to go back to the 1950s view of the world where women stayed at home and took care of the children while the husband went out to work? News flash to the government: the world has changed. What women want and what families want is quality early childhood education and care. That is why I join the shadow minister in opposing many measures in this bill and supporting the proposed amendment she has moved.

Mr VARVARIS (Barton) (19:31): I am pleased to be able to speak on the Family Assistance Legislation Amendment (Child Care Measures) Bill 2014, which amends the A New Tax System (Family Assistance) Act 1999. These amendments are pivotal to the coalition's promise to provide a sustainable, equitable and accessible childhood education and childcare framework. This is also crucial to our promise to restore the nation's finances and bring the budget back to surplus. As the member for Barton, an electorate that is family oriented, I am acutely aware of the impact on working families of the previous social policies surrounding child care.
Child care is one of our most fundamental social investments as a federal government. Child care which is accessible, flexible and of a high quality is indispensable for families not just in Barton but right around Australia. High-quality early childhood education and child care are in increasing demand by working Australian families. As families are increasingly forced to operate on dual incomes, there is a vital need for accessible and high-quality day care, after hours school care and long day care in our society. Some families are fortunate to have the luxury of extended family members to assist with the care of their young ones. However, many families, particularly in my electorate of Barton, rely on high-quality childcare services.

Australian governments have a history of providing funding to assist families with early childhood education and care. This commenced in 1972 and ever since then there has been a significant investment in child care. The Australian government subsidises the cost of child care for eligible families through the childcare benefit, known as CCB, and the childcare rebate, known as CCR, which were implemented in 2000 and 2004 respectively. Families receive these important subsidies because governments from both sides recognise the importance of family units, the early years of childhood education and developmental needs. The coalition understands the cost of raising children as a top priority and that, at times, financial assistance must be provided for families on lower incomes.

Currently, the CCB is a means tested payment based on a family's income. It is financial assistance with childcare costs that is indexed each year with CPI. Whilst this bill will maintain the income thresholds for the next three income years and is part of the coalition's 2014-15 budget measure, the government is still essentially increasing the CCB standard hourly rate, minimum hourly amount and multiple child loadings on 1 July each year. The amount a family receives in CCB depends on the income levels, the type of care used, the number of children and the hours of care, as well as the parents' work, training and study commitments.

These measures will not impact on families on an income below $41,902, which will see families on the lower income CCB threshold receive the maximum rate of benefit. As income increases for a family, the CCB tapers to zero. However, out-of-pocket expenses incurred by families who receive less CCB will be partially offset by the CCR. The CCR is not means tested and provides up to 50 per cent of out-of-pocket childcare costs up to $7,500 per child per income year. This maximum amount of CCR is not being reduced through this bill.

This bill will continue to maintain the CCR limit at $7,500 for the next three calendar years. The freeze was first introduced by Labor in 2011 and they extended this in their last budget of 2013-14 but did not provide the legislative requirements to do so. When the coalition decided to legislate the measure, as first intended by those opposite, Labor colluded with the Greens in the Senate to block it. In essence, Labor introduced their own measures this time last year as part of the Social Services and Other Legislation Amendment Bill 2013, then a few months later sought to oppose it. Labor claimed at the end of last year that the coalition's attempt to freeze the CCR provision was a cut of $100 million from the Early Years Quality Fund and that there was no justification for that. The coalition did freeze the fund because there was an independent review of the funding being undertaken, which concluded that the fund was flawed and inequitable, benefiting less than 30 per cent of long day care workers, and that it was a tool for union recruitment. This is not a sound business
model. There is no evidence of any cost-benefit analysis having been undertaken and now the Auditor-General is conducting a performance audit of Labor's Early Years Quality Fund.

Australian taxpayers and families deserve better. This is why the coalition is following through on current measures to ensure we have a family assistance model that is sustainable now and into the future. There is much work to be done. The CCR and CCB freezes are the first steps in rectifying an untenable childcare sector. The CCR measure is expected to deliver net savings of $105.8 million over three years whilst the CCB measure is expected to deliver net savings of $230.4 million over four years, from 2014-15 to 2017-18, for a combined total of $336.2 million. Overall, this government is increasing childcare assistance to $28.5 billion over the next four years, 2015 to 2018, to assist around one million families each year through the CCB and CCR. The government’s total investment between 2013-14 and 2016-17 is expected to exceed $22 billion.

I would like to note that these budget measures are necessary, because in order for families and children to thrive and to access the benefits they require we need a strong economy and a budget surplus. The government considers that maintaining the current CCR limit until 1 July 2017 is a reasonable, necessary and proportionate measure that is in the interests of Australia's current fiscal and economic position, given savings from the measure have already been taken by the previous government.

The government is absolutely committed to ensuring that Australian families have access to high-quality, flexible and affordable child care that really meets their needs—and vice versa, with service providers that are afforded the flexibility and durability to meet the needs of its families. I make no pretence that we are operating under a bleak financial landscape, one that was painted by Labor with six record deficits, meaning $123 billion in cumulative deficits ahead. The untenable position in which the system we inherited has been left means that we need to make the system sustainable into the future.

All families are unique, and no benefits paid are identical. Indeed, the CCB sounds complex because it is. The many variables which determine the monetary benefits that a family receives are an issue that has been raised by families and service providers in my electorate. It also invariably adds to the bureaucratic complexity and red tape burden that inundates childcare workers. Whilst both sides of government recognise the importance of family and how critical the early years are to a child, and that necessary assistance should be given to families, where there is not an option of a stay-at-home mum or extended family help there are ways of going about this which sustain the social policy to maintain longevity. And cost is certainly a factor in child care for many families. From the feedback I have been given in just my electorate alone, the issue is largely one of availability and accessibility.

Too many childcare facilities are burdened with administrative red tape and layers of bureaucracy as part of the national quality framework. Good intentions aside, the reality is that owners, operators and workers are trapped in offices inundated with paperwork instead of committing their time to the needs of children. Labor's way of ensuring childcare workers are doing their jobs properly is by proving themselves through endless piles of paperwork as part of a stringent quality process. The myriad bureaucratic complexities associated with claiming benefits due to several factors at play—family income, number of children, type of care, hours used, which I mentioned earlier—are unnecessary. Families and childcare service providers have provided their concerns on this unnecessary red tape that is getting in the way
of providing the actual services that families desire. The impact of this unnecessary burden which has been placed on childcare centres via Labor's National Quality Framework includes things such as childcare centres having to employ extra staff or staff having to work longer hours to deal with additional paperwork, resulting in about $140,000 a year just to administer it. These measures by Labor do not directly impact on the positive welfare of the child and only hit the pockets of families, some of whom are already struggling. This is not conducive to actual needs of children, the parents and childcare facilities around the country. Furthermore, it does not address the issue of childcare needs, because subsidy alone does not sprout much-needed childcare workers.

In other words, the solution is not to just further increase subsidy or lower childcare costs but to actually have more childcare facilities and workers. This is the crux of the problem. As such, the coalition has asked the Productivity Commission to launch an inquiry into child care and early childhood learning as a substantial review into just what is required by the sector and to make recommendations on its sustainability. This bill does not pre-empt that inquiry but is a necessary part of the government's plan to repair the budget and to restore and strengthen the economy.

The stark reality is that childcare costs are rising, and the coalition is acutely aware of this. I suspect Labor knows this as well. Unfortunately, Labor's credibility on child care is negligible. Under Labor, childcare costs skyrocketed. Between September 2007 and September 2013, long day care fees increased from $5 an hour on average to $7.65 under Labor. Over a week, this was almost $75 extra and, over a year, $3,500. This is in spite of Labor's investment in child care fee assistance increasing by 45 per cent over the same period. This is what hurts family budgets the most. That was despite Labor promising it would make child care more affordable. Moreover, Labor created an inefficient system of messy red tape burdens that was complex to monitor and administer, which ultimately meant parents and families were negatively impacted.

Labor also said it would create 260 more childcare centres; it provided only 38. Again, this is what hurts families in my electorate and across the nation. As a responsible government, we have to recognise the reality of the situation and do what we can, right now, to ease the pain of families in the long run. Australian families need a sustainable, long-term solution to high-quality childhood education and child care. They do not want increasing fees with no increase in availability of affordable care. It makes no sense to families that child care should be out of reach when governments are investing money and childcare costs are increasing. Furthermore, only through accessible and flexible child care can we improve workforce participation opportunities, especially for women.

The coalition has been left with the job of cleaning up Labor's mess, from six record deficits, and creating a system of tenable child care that can be sustained for the children of today and tomorrow. The measures put forward in this bill are vital to ensuring that we can produce the best outcomes for the deserving families across the nation and ensuring that these families have a bright future for their children who are not left to pay for Labor's debts for years to come. High-quality affordable child care is a reality that can be matched by the right mix of social policy and business practicality, but reforms must take place to achieve this. This bill is the first step in laying the path of a sustainable childcare sector. I commend this bill to the House.
Mr BANDT (Melbourne) (19:44): In my electorate of Melbourne there are more women as a proportion of the workforce than there are anywhere else in Victoria. In fact, it is the second highest proportion of women in the workforce of any electorate in the country, with 49 per cent of the workforce being women. One thing that is crystal clear is that, if we value people's mental health and family stability and also if we value getting women into the workforce and being able to remain in the workforce, then affordable, accessible quality child care is vital.

In Melbourne the need is only going to grow. More and more people are choosing to live closer to the city. Our state government has a policy of knocking down small warehouses and building the tallest, most expensive thing that you can on the site. That brings lots of people into the city, which is a good thing, but increasingly we are finding that there is no planning for the childcare needs of the people who live in Melbourne.

We have a situation at the moment in Melbourne where 76 per cent of the centres have no vacancies for under-two-year-olds and 43 per cent have no vacancies for three- to four-year-olds. The centres that did have some vacancies were often inflexible—for example, they were only available on particular days. It is not at all uncommon for women in my electorate to have to juggle to get their child to different childcare centres on different days of the week.

Parents will usually spend on average between six and 24 months waiting for a place for their children. Some centres in the electorate of Melbourne have over 300 families on their waiting list. The level of unmet demand—the lack of child care places—in Melbourne is appalling. It is absolutely appalling. We know that these pressures developed under the previous government. I will be the first to say that the previous government did some good things about child care. Labor's focus on improving the standards of childcare workers, recognising their role as educators, and lifting the quality framework were things the Greens were pleased to support because they echoed our view that child care should be treated as an integral part in the education process for young children.

What was not recognised by Labor is that, if you increase the quality of the workforce, as one should, unless you put additional money into the system then the other two key elements of child care—accessibility, the ease to get a place, and affordability, making sure child care is within your means—will suffer. That is exactly the problem that we have seen and that is exactly the problem that we face. It was not made any better by the previous government's decision to abandon building 222 new childcare centres.

We are in a position where there is enormous demand and enormous pressure on the system, especially in inner-city Melbourne. We have to decide now which way we are going to go: do we value child care as a community or don't we? Then into the fray comes this government that says, 'Before we decide to do anything else after freezing some existing funds that were going to find their way into child care the first thing we will do is freeze the childcare rebate for a further three years and freeze the childcare benefit income thresholds.' Taking money out of the system is not the answer for child care at the moment. It is just not the answer.

I think in some respects the opposition needs to tone down its sanctimony on this because freezing the childcare rebate is in fact just extending a policy that Labor introduced. It was wrong then and it is wrong now. That part of it is wrong, but what the government is also proposing to do to the childcare rebate and the childcare benefit in tandem is going to hit low-
income earners and it is going to hit a household that earns $60,000 somewhere in the order of
$3,000 a year. That is a massive whack. Under the previous government it got to the point
where some parents were asking whether it was even worth returning to work because of the
cost of child care. To now take an extra $3,000 out of the pockets of a middle- to low-income
family is absolutely appalling and wrong.

The sector is outraged by this government's decision to take money out of child care and so
are centres in my electorate. Acacia Fitzroy Creche, which I visited a couple of times and
which provides services to people on low incomes, believes that helping families get
affordable child care is very important. It is a community childcare centre that works with
many refugees, single parents and people from low-SES backgrounds.

That centre sees a lot of families who want to contribute and work but cannot get jobs
without affordable child care. If parents cannot access child care, the kids end up staying
home and falling behind in education. These are often children who have come here as part of
a family from a refugee background, who have come in under Australia's humanitarian
system. They are living in the flats in Fitzroy. The parents are struggling to break into the
labour market or hang onto a job. They are reliant on low-cost child care to be able to stay
employed.

Acacia Fitzroy Creche have said that, as a result of changes in this bill and the budget, they
have decided to freeze their fees because they know that otherwise parents will not be able to
continue. As a result, the staff are not getting a pay rise. Already underpaid staff are not
getting a pay rise. They face a big problem with retaining staff, as many childcare centres do,
and this is only going to exacerbate it.

What will that mean? It will mean that people—predominantly women—will decide to opt
out of the workforce because they know that otherwise parents will not be able to
continue. As a result, the staff are not getting a pay rise. Already underpaid staff are not
getting a pay rise. They face a big problem with retaining staff, as many childcare centres do,
and this is only going to exacerbate it.

Not everyone can do what Fitzroy Acacia Creche is doing. The other centres in my
electorate have fantastic staff but many boards of management are tearing their hair out trying
to make ends meet. There is plenty of money available for us if we decide that child care is a
priority. For example, if the government chose to stand up to wealthy miners like Gina
Rinehart and her associates and scrap the subsidies and concessions that they get—we do not
even need to worry about a new tax if we make the likes of Gina Rinehart pay the same for
petrol as everyone else in this country and stop give them subsidised diesel—$13 billion
would be available for the budget. That $13 billion could build a lot of childcare centres, and
would allow the existing childcare centres to expand.

It is ultimately a question of priorities. This government is choosing a priority in favour of
the likes of Gina Rinehart—the government is letting her off the hook; she is for all and
intent and purposes untouched by this budget—and instead saying, 'We don't mind if the
women in the Fitzroy flats are now no longer able to continue in their jobs because they
cannot afford to send their kids to child care. They have to contribute.' A family on $60,000
has to contribute three grand a year, and that might be the difference between working or not,
or child care or not. But the government says, 'We will let Gina off the hook. We will let our
wealthy backers off the hook and the top end of town off the hook. That is what this budget and this bill do.

So we will be opposing it. And that means, hopefully, that this will be opposed in the Senate as well. What is important, and what matters, is making sure Australia is a place where people look after each other, and where, no matter how much money you earn or where you come from, if you want to do the right thing and try and get into work, there will be a childcare place available for you. We are not going to discriminate against people on the basis of their wealth. That is what is at stake in this budget and with this bill.

I am pleased to hear that Labor may now oppose it—even though they proposed some of these measures in the last parliament—but I do want to address something that some of the opposition speakers have said. They have suggested that, somehow, having paid parental leave as a workplace right is somehow wrong when the money should be put into childcare instead. If I had an unlimited pot of money, yes, I would probably go and build childcare centres, first and foremost, as well. But I say to Labor: if it is that important why didn't Labor put a 1½ per cent levy on big business and build new childcare centres? They did not. They did not have the guts to stand up to big business and raise the revenue that is needed to fund the services that Australians expect. Instead, Labor said, 'We're going to cut the taxes for corporate Australia and, as a consequence, we are not going to build 222 new childcare centres.'

So, I am not going to be lectured by the opposition about the lack of priorities or that, if you advance the cause of paid parental leave, somehow that is money that should be going to childcare. If Labor really believed that they would have acted on it, and they have not. The proposal that the Greens took to the election was to put a new levy on big business for money that would not otherwise be there and use that to fund a paid parental leave scheme, and ask others to chip in so that we can have the childcare that everyone deserves. So it is not an either/or. Labor does not come to this with clean hands, having previously proposed one of the freezes in this bill and having failed to act to build those new childcare centres that are needed.

But we have to deal with the bill that is in front of us. The bill that is in front of us will only do one thing—that is, it will make life harder for people on middle to low incomes, and take money out of the childcare system at a time when we need to be putting more money into it. For that reason this bill cannot be supported.

This bill, like many other budget measures, is going to be blocked by this parliament. There is only another week-and-a-bit to go before the Senate changes over. I tell you what—there are billions of dollars in so-called savings measures from the government, which are really attacks on the young, the old, the sick and the poor, which are not going to find their way through this parliament. I hope that after 1 July they will not find their way through the parliament, either.

There is a reason people have been talking about this budget for so long after the fact—and that is that people understand that measures like this threaten what is good about this country. They threaten what is good about this country. The Prime Minister is a threat to the Australian way of life and the principle of egalitarianism. It is our job, as the Greens, to stand up for those principles of compassion, sustainability and equality, and to defend that spirit that beats at the heart of this country—egalitarianism. That spirit says that we will not become a US
style of society, where access to health care, access to education, and access to child care depend on your wealth. We do not want to go down that road. We value the fact that here in this country we look after each other. This bill is just one element of a very brutal budget, and I am very pleased that the Greens will block it.

**Mrs WICKS** (Robertson) (19:58): This bill is part of the coalition government's ongoing commitment to families, particularly those with young children who rely on child care. The Family Assistance Legislation Amendment (Child Care Measures) Bill 2014, which I commend to the House today, will apply from next month, for three years, to 30 June 2017. This bill maintains the childcare benefit income thresholds for three years and ensures that the childcare rebate limit will continue at $7,500 per child, per year for a further three years. It is an important reminder of how this government is making fair and responsible choices for the people in my electorate on the Central Coast. There are around 7,720 children from 5,760 families who attend child care in 109 dedicated services in my electorate of Robertson. For many of them, child care is essential because one or both parents are commuting to Sydney or Newcastle. We have 30,000 to 40,000 people on the Central Coast, as I often say in this House, who leave early in the morning to work and return home late at night to their families because that is where their job opportunities are. I am actually a mother in one of those families. My own husband, Chris, travels to Mascot every day, relying on the right connecting train to be home in time for dinner. We have been married nearly 18 years and he has never been able to work locally. His story reflects the story of thousands of other people on the Central Coast.

We are fortunate, of course, to have access to great child care for my own two children, Oscar, who is five, and Mollie-Joy, who is 3½. This includes some amazing grandparents—and I acknowledge my parents, Max and Mary Warren, who help out on so many occasions; a fantastic babysitter, Isabella Mitchell, and I thank you, Isabella, for all you do; and an incredible long day care centre, Little Miracles, where Oscar and Mollie-Joy are taken care of every week in a wonderful, supportive, caring and nurturing environment. I take this opportunity to place on record my thanks and my appreciation for the directors of the childcare centre at Terrigal, Rob and Sue Bateman, and also for the centre's supervisor, Sue Noble, and to say thank you to the 109 centre supervisors and operators who do such a great job for our children every single day.

Yes, child care does come at a cost. Childcare fees now average $370 per week for families who work full time on the Central Coast, which is an average cost per hour of $7.15. While this is lower than the national average of $7.35 an hour, $375 per week is a lot of money for most families and it underlines the need to make child care more affordable, more accessible and more flexible. That is why the coalition's decision to task the Productivity Commission with looking at this issue is an important part of the process. While the bill before the House tonight is important, it is also timely to note that the measures do not in any way pre-empt the Productivity Commission's inquiry into child care and early childhood learning.

We need a holistic review into how we can best ensure that child care is affordable, accessible and flexible for families in my electorate of Robertson, for families in New South Wales and, indeed, for families right around our nation—for the sake of our children, for the sake of their parents and for the next generation and generations to come. That is why the
Productivity Commission's draft report, due next month, will give us a good first insight into their proposed reforms. In the meantime, the measures in this bill are necessary.

Families are struggling to access affordable, accessible and flexible child care due to fees skyrocketing 50 per cent nationally during Labor's six years in government. These increases are simply unsustainable. The former government, including the former member for Robertson, claimed to support child care and families and yet they watched while family budgets were thrown into chaos due to these soaring prices. In contrast, the coalition government is making decisions that repair the budget and, through our Economic Action Strategy, build a strong, prosperous economy and a safe and secure Australia.

Let us remind ourselves of one salient fact: because of Labor's debt, $1 billion a month in interest is being wasted. If no action is taken now, debt will grow to $667 billion in a decade and that monthly interest bill I mentioned before will become $3 billion per month. It is clear we need to get the debt and deficit back under control and this budget is part of our responsible plan to do just that. Included in the budget is the childcare benefit measure contained in this bill. It is also part of the government's broader measure to maintain eligibility thresholds for Australian government payments for three years. It is estimated that maintaining the childcare benefit income thresholds will provide a saving of $230 million over the forward estimates.

This bill amends the A New Tax System (Family Assistance) Act 1999 to continue to maintain the childcare rebate limit at $7,500 for three income years, starting from the beginning of next month. The rebate covers half of the out-of-pocket childcare expenses, up to a maximum amount per child, per year, and it is not means tested. As a result of these amendments, a family on the Central Coast will continue to receive up to the maximum rebate amount of $7,500 per child, per year to help pay for out-of-pocket childcare costs. This will be in place for those three years.

The bill also locks in the childcare benefit income thresholds for three years, again from 1 July this year. Unlike the childcare rebate, the childcare benefit is means tested. It is based on a family's income level and is designed to help with the cost of child care. It is important to note that the government will continue to index the childcare benefit standard hourly rate, the minimum hourly amount and the multiple child loadings by the consumer price index on 1 July each year.

So what this bill means is that families' childcare benefit income thresholds will remain at the amounts on 30 June 2014 for the three income years ending on 30 June 2017. It proposes a three-year pause on the indexation of income thresholds which set out how much parents are eligible to claim. But even with this measure government assistance through the childcare benefit and the childcare rebate combined will still increase to $28.5 billion over the next four years. These measures are about ensuring this substantial investment rises at more sustainable levels over the long term. There is, as any parent or childcare provider would know, a pretty complex way of calculating the childcare benefit. It depends on a family's income, the number of children in care, the type of care and the hours used. But this bill ensures that these measures will not impact families who have incomes below $41,902.

As a reminder to those opposite, keeping the childcare rebate limit at $7,500 per child per financial year for a further three years was a savings measure first implemented by the former Labor government in 2011. Labor announced an extension of the measure as part of their
2013-14 budget and then took the $105 million in savings from the budget bottom line but never legislated for it. The savings were included in their budget, but the legislative amendments that we are debating here today were not introduced in the last parliament. Yet, when this government sought to legislate the measure as part of the Social Services and Other Legislation Amendment Bill 2013, Labor combined with the Greens in the Senate earlier this year to block its own measure. So, put simply, our hands are tied.

The simplified arguments that we heard earlier tonight about raising the rebate will not work either, as we found in 2008. Back then, Labor increased the amount parents could claim under the childcare rebate from up to 30 per cent to up to 50 per cent of their fees. The result was that out-of-pocket costs for parents soared by up to almost 40 per cent in low- and high-income families between 2008-09 and 2012-13. Raising rebates makes these payments more unsustainable in the longer term without providing a plan to slow the rate at which the fees are increasing.

I recently invited the Assistant Minister for Education, Sussan Ley, who spoke on the second reading of this bill, to my electorate of Robertson on the Central Coast. The minister spoke with parents and childcare providers at a childcare forum in Erina where there was a rigorous debate about the need for affordable, flexible child care. We visited one of our biggest childcare centres, Erina Kindergarten. The owner there, Paul Klumper; directors Melissa Commins and Ashlea O'Rourke and their team do an absolutely fabulous job of providing a warm and caring environment where our little 'coasties' can learn and be nurtured.

During the day we discussed the government's reforms including the coalition's record $200 million Long Day Care Professional Development Program. The program helps day care centres with the cost of upskilling and training educators to meet the requirements of the National Quality Framework. Our Long Day Care Professional Development Program will use the remaining funds from Labor's Early Years Quality Fund, which was shut down after an independent report found it was a vehicle for union recruitment. The minister's visit was a firsthand look at why we have to get the policy around child care in Australia right. Overall, the coalition is increasing childcare assistance to $28.5 billion over the next four years to assist around a million families each year through the childcare benefit and childcare rebate.

As well as increasing support to child care, we are also committed to a genuine paid parental leave scheme for families. This is a commitment we have taken to the last two elections. It is also something that I know is of great importance to people in my electorate of Robertson. Our paid parental leave scheme pays a real wage plus compulsory superannuation. This not only values women's current work, but also makes sure there is future recognition in the form of proper superannuation. It reflects the true value of a woman's lifetime of work and it is about delivering appropriate workplace entitlements for women who choose to work and have a family. This is important as it is often at the crucial point of time in their career cycle that they will have their family.

I firmly believe that paid parental leave should not to be treated as a welfare entitlement. It is a workplace entitlement. The opposition wants to frame the coalition's paid parental leave scheme as a $50,000 gift to rich people, but I know from talking to people on the Central Coast every day that this is a genuine hand-up for families—not the millionaire families that Labor talk about, but for women who are nurses, who are teachers, who are shop assistants, who are factory workers, who are clerical workers, who are casual workers and who are small
business owners. For these people, our genuine paid parental leave scheme—especially in those early months of juggling the demands of a family—could be a real help with their family budget.

I want to say in relation to paid parental leave and the current debate in this House that I believe this is about a real cultural change in Australia. It is about moving the paid parental scheme and debate from a welfare entitlement to a workplace entitlement. This cultural change is important for Australia; it is important for productivity in our nation and it is important for our future generations in Australia. In time I believe we will look back in the annals of history at this argument and wonder what all the fuss was about, because why should people be paid at their real wage when they go on holidays, when they take long service leave and when they take sick leave and then effectively be paid a welfare wage when they go on parental leave? It just does not add up.

The coalition government has an Economic Action Strategy that will fix Labor's debt and deficit disaster. We have delivered a budget that ensures we will get back to living within our means, just as households must. We are taking responsibility and fixing up Labor's mess through strong and fair action. I commend this bill to the House, as a parent, as a member of parliament and as a resident on the Central Coast who knows we need to make responsible decisions to get Australia back on track to a secure future.

Ms HALL (Shortland—Opposition Whip) (20:14): I rise to speak on the Family Assistance Legislation Amendment (Child Care Measures) Bill 2014. I take great pleasure in following the member for Robertson and I will certainly make sure that everybody in Robertson on the Central Coast—an area that I also come from—is aware of her unconditional support for paid parental leave. I will make sure that all those pensioners, who are receiving a very low income and whose income is going to be affected by the change in indexation, know that she is out there spruiking the $50,000 a year for high-income workers as much more important than ensuring that child care is properly indexed. Just for the record, in Robertson electorate there are 7,130 families that are using approved child care. Of those 6,340 are receiving childcare rebates.

Those families are going to be disadvantaged by this legislation. The member for Robertson is not telling the families on the Central Coast just what this legislation means. This legislation is bad legislation and it shows that this government has its priorities all wrong. It looks after people who are on high incomes whilst at the other end of the spectrum they are making it harder for families who are not on high incomes to enter the workforce or maintain employment. One of the key indicators as to whether a person can afford to utilise child care, research has shown, is that the relationship between childcare affordability and women's workforce participation is strong. A one per cent increase in gross childcare prices results in a decrease to the mother's employment rate of 0.7 per cent. This is what the member for Robertson is advocating—that the people she represents get less money and that child care is made less affordable. She supports that, whilst at the same time she supports women receiving a $50,000 bonus for having a baby. As the Prime Minister said, he wants the right kind of women to have babies. I think the right kind of people to have babies are the people who are hard-working and go out there every day and look to government for support.

One would think that the government would get support from business, but, unfortunately, even business is slow to give support to the government on these measures. Business knows
that the one thing that is imperative when it comes to child care and women utilising child care is its affordability. What this government is doing is making it less affordable for those people who need it most. I would like to refer to an article in The Australian, which points out that the Australian Industry Group has called for the Prime Minister 
…to abandon his paid parental leave scheme and redirect the money to maintaining childcare benefits.
The Australian Industry Group knows that fairness is in maintaining the childcare rebate. It is not fair to give those women who are on high incomes a bonus or a gift of $50,000. The Australian Industry Group, in this article, says that:
…the Coalition's proposed "gold-plated" PPL scheme "should be abandoned" and the less generous scheme introduced by Labor retained.
Can I say that the members on the other side of this House are so out of touch that they do not know what is being said in their electorates. I give the member for Dawson credit for speaking out on behalf of his electorate by saying that this is the wrong way to go, but, unfortunately, many members on the other side of this parliament do not take time to communicate with their constituents and do not listen to what they are saying, rather they just tell them. This article goes on to say that 
…the more generous PPL scheme should then be used to reverse the continued freezing of the Child Care Rebate at $7,500 a year and the non-indexation of Child Care Benefit thresholds for three years announced in the May budget.
This is to allow extra funding to be devoted to childcare measures.

The one thing we know about this government is that, when it comes to fairness and equity and to seeing that a struggling family gets a fair go, they are always missing in action. This bill will whip $230 million from the means-tested family assistance childcare benefits from 889,000 families. Those 889,000 families rely on this benefit; it makes child care affordable for them. It enables them to go to work and, if it comes to the situation where they receive no childcare benefit or it is reduced to such a low level that they can no longer afford child care, their children will be taken out of child care. When children are taken out of child care, they will be no longer able to work.

This is arrogant and it just shows how little this government is able to communicate or understand the needs of families in Australia. When I look back to the last election, it is very interesting that the minister was floating around the country saying that she was going to make child care more affordable and to reform child care so every child could attend child care. She even came to my electorate with my Liberal Party opponent and argued for more affordable child care and access to child care for everyone. I look back to the community support program that was going to provide grants for family day care services and that has been cut. Family day care is one of the most affordable forms of child care.

The round of grants to local government was also cut. Local government is one of the leaders in providing not-for-profit child care. Grants were put out there for local governments to apply for. The one thing that this government has done is cut that grants program. Everywhere you look, this government is attacking families. It is attacking the family tax benefit. It is putting the GP tax in place. There is its action in relation to the childcare rebate and the childcare benefit. The childcare rebate, as everyone knows, is not means tested and is up to $7,500 for every child. Childcare support is absolutely essential to provide financial
incentives for parents to re-enter the workforce and, as I have already stated, particularly women.

A woman needs to know that her child is cared for in a quality childcare centre that is accredited, with well-trained carers. When she knows that, she can confidently go to work and engage productively. But, unfortunately, 74,000 families will reach the childcare rebate cut-off in 2014 and 150,000 families will reach the childcare cap in 2016-17. They are significant numbers, and this measure will have a very significant impact on some people—but the government are not telling the Australian people this. They are making it sound like they are doing wonderful things in the childcare space when, in actual fact, they are making child care less affordable. They are looking to provide taxpayer funding for nannies and au pairs, which is a very expensive form of child care. Their every action is designed to benefit those people who least need help from government. I am appalled at what the government are doing in this area.

I thought a good way to look at how effective the government has been in relation to child care—and to be quite fair about it—was to make a comparison between what Labor did when it was first elected, following the 2007 election, and what this government has done. It is quite interesting when you look at the figures. One of the first actions of the new Labor government, following the 2007 election, was to increase the childcare rebate from 30 per cent to 50 per cent for out-of-pocket expenses and to increase the cap from $4,354 to $7,500 per child. The Howard government had no appetite to make child care more affordable, and those on the other side under the leadership of Tony Abbott are in the same position. They are making child care less affordable. They will make it harder for families to actually access childcare. They stand condemned for that. Labor also gave families the option of claiming their childcare rebates fortnightly, halving up-front costs at the time that they were billed.

The government does not understand just how hard it is for families to make ends meet. Many families go from week to week just trying to balance the budget. As one of my constituents told me recently—a constituent who has been extremely disadvantaged by this government; a constituent who has really done it hard—at the end of the month he just throws the bills in the air, and the ones that land on the table first are the ones that he is able to pay. It is really interesting when you compare a government, as in the Rudd and Gillard governments, which understood how much families rely on assistance such as the childcare rebate and the childcare benefit, with a government which is freezing assistance and making child care less affordable. Childcare fees went up by more than twice the rate under the Howard government compared with Labor. I hate to think what the rate will be under the Abbott government because of their lack of commitment to keeping childcare fees low and making child care affordable. Modelling shows that, under Labor, out-of-pocket costs for families earning $75,000 a year were reduced by 13 per cent of their disposable income. Under Labor the number of children in child care grew; under this government, we are set to see a reduction simply because it is making it unaffordable.

I would like to put on the record that I cannot understand why this legislation has been introduced with only five days of consultation and with very little research evidence from the department and without waiting for the completion of the Productivity Commission inquiry and report, which is due in October this year. The government is not waiting for that report.
This government stands condemned for their action in the area of child care. It stands condemned for not researching what impact this legislation will have on families. This government stands condemned because it does not really care about low-income families. This government stands condemned because it has its priorities all wrong. It is prepared, on the one hand, to give a $50,000 gift to highly paid women or families and, on the other hand, to cut money from those people who look to government most for assistance.

Ms RYAN (Lalor—Opposition Whip) (20:29): I rise this evening to oppose the Family Assistance Legislation Amendment (Child Care Measures) Bill 2014 currently before the House. I oppose it like my Labor colleagues because it seeks to freeze indexation not just on the non-means-tested childcare rebate but also on the income thresholds of the means-tested childcare benefit.

This bill seeks to cut $336 million from childcare support that lower and middle income families across Australia currently rely on. They rely on this to make ends meet, to pay the mortgage, to pay the bills and to buy the groceries.

Mr Deputy Speaker, I am not sure if you have ever popped down to my part of Australia, but, if you have, you will have noted that the population is predominantly made up of families. We have a welcoming and affordable community and many families—in fact, almost 60,000—choose to make Lalor their home. We have huge new housing estates and schools that regularly welcome 250 new preps each year. We have the highest number of births in Victoria—in fact, 70 births a week, which sees the maternity ward at the Werribee Mercy Hospital bursting at the seams. It also means we have a huge number of playgroups and a vibrant kindergarten community. It means also that we have a thriving childcare system.

Families in Lalor rely on the provision of child care. They rely on it because cost-of-living pressures mean families have both parents working to make ends meet. They rely on it because women in our community also know the value of being connected in the workforce and the benefits that brings for themselves and for their families. These are not families that choose a nanny or an au pair as a childcare option; that is out of reach. They rely on the usual forms of child care. They rely on well-resourced centres that provide structured early learning. They rely on family day care, particularly valued by the many shift workers for its flexibility, and they rely on out-of-school-hours care for school aged kids. The families in Lalor work hard, often for modest wages, and, as such, these families also value the current childcare assistance provided by government.

There are only five electorates across Australia that have more than 10,000 families utilising child care. Lalor is one of them. Indeed, almost 10½ thousand families in Lalor use formal child care and around 9½ thousand of those receive some form of childcare benefit. The impact of the changes to childcare funding in this bill on our community will be huge.

Families in Lalor may have taken the time to read the coalition’s election policy document, titled The coalition’s policy for better child care and early learning September 2013. You will note from the date that it was a policy that was taken to the election last year. While it was lacking any real forward direction, it did provide some comfort for families. I would like to remind families of some of its key points. I quote from that document:

Our approach will ease the financial burden placed on child care centres and families, without compromising the standard of care that must be provided.
They went further:
The Coalition understands that many families are struggling to find high quality child care that is flexible and affordable enough to meet their needs.
They quoted ABS data and said that it:
… shows that child care costs to parents have increased by 27 per cent over the past three years.
The coalition said that it was:
… concerned that parents all over the country are reassessing whether they can afford good quality childcare, or the number of days … per week they use.
Another quote says:
We understand that there is a direct relationship between affordable child care and the amount of hours parents—especially women—can work.
I think it is fair to suggest that there is a theme coming from those extracts—that the document developed a theme around the issue of costs of child care. I think it could be said that this policy document that the now government took to the election raised expectations in the community that the cost of child care was something they were concerned about. Some may have even thought that this document implied that they would offer a solution.

As actions speak louder than words, what is it that the government have done to support the working families across Australia to meet the costs of child care? Not much. I would go further and say they are actively making it more difficult for families. Let us look at what they have actually done. They have stripped away almost $1 billion from early education and care. They have taken $400 million from out-of-school-hours care and $157 million from family day care. The support for parents to study and go back to work is gone. Programs to increase childcare places have been slashed. Funding has been taken from the Indigenous child and family centres and $300 million set aside to support low-paid early childhood educators has been cut.

What will they do? The measure that this bill seeks to implement, according to the education department, will leave over 500,000 families worse off through the changes to the childcare benefit alone. This bill will cut modest, targeted and means-tested childcare support from families earning as little as $42,000 a year. Most worrying, however, is that this measure is being introduced with minimal analysis of the impact. Who will these measures hurt and how much extra will families have to pay? The truth is, we do not know; the work has not been done.

It is also worrying that it is being done on the back of the $157 million dollar cuts to family day care that I mentioned earlier. This measure alone is causing enormous angst in our community. A local newspaper reports that family day carers have warned they will be forced to close if a $500 administrative levy touted by local council in response to cuts in the federal budget for family day care is imposed. I can tell you what the impact of that will be if it eventuates in Lalor. Already oversubscribed childcare centres would be swamped with new enrolees. Why is this being rushed through this week, when the government has a current Productivity Commission inquiry into child care and early childhood learning? What will that inquiry find? What action will this government take when those findings are released? Based on current form, more cuts would be my suggestion.
This initiative is yet another example of this government's broken promises and twisted priorities. Why introduce such a measure, such a hurtful cut? And why do it while stubbornly insisting on retaining the deeply unpopular and unfair paid parental leave scheme? We know this government is very keen to provide assistance to allow for nannies and au pairs to be brought into the childcare rebate system. But these are options not utilised by many in our community. Indeed, very few families across Australia can afford them. Whilst doing this, the government sees fit to remove the very support that assists low- and middle-income families and supports women to remain productive in the workforce.

I feel a little like a telemarketer tonight—or like the member for Wentworth on one of his question time rants—because there is more. Whilst this bill introduces measures to reduce childcare benefit payments, there are still more government measures to come. I suspect the government does not fully understand the impact of those changes either. The Jobs Education and Training Child Care Fee Assistance program assists parents to return to the workforce. There are over 550 families in Lalor benefiting from this program. There is a similar number of families in my colleagues' electorates, like Watson, Blaxland and Rankin, and in some coalition electorates like Dobell, where 550 families have benefited. But I do not think the Prime Minister, in Warringah, understands. There are only 90 in Wentworth and there are only 60 in North Sydney that are probably not aware of the benefits of this program. Only 70 in Higgins have benefited. The benefits of the JET programs would hardly hit the radar of those on the front bench opposite.

It may also surprise some that out-of-school hours care accounts for approximately 55 per cent of childcare services. This government has cut $450 million from this program. This is money that assists out-of-school hours programs to be established. In an electorate like Lalor where we have new schools opening every year with huge numbers of new students joining our schools throughout the year, this funding is vital. It allows new services to open, for hours to be extended and for homework support to be offered. All of this is now at risk. Labor worked hard to increase access to out-of-school hours care. Over 100,000 more families now utilise this care across Australia, because of Labor. That is all at risk.

Another cruel budget cut is the accessibility fund, a fund designed to assist local councils to increase childcare provision by expanding centres, freeing up vacant land for centres to be built and to allow for centres to be incorporated into TAFEs and schools. Those opposite would have limited understanding of the impact of this measure. Lalor has 123 childcare centres serving 10,500 families; Warringah has 128 centres serving 7,000 families. Do the maths. It is easy to see from these figures where there is pressure for the new childcare centres and the electorates most in need. It is not the electorates currently held by those in cabinet.

For the government to introduce this bill, I naively—like many others—assumed there must have been support. So I looked to some major stakeholders. I found no support. There was no support from Early Childhood Australia. There was no support from Family Day Care Australia. There was no support from the Early Learning Association Australia nor from the Australian child care coalition. There was none even—as the member for Shortland outlined—from the Australian Industry Group. All oppose the measures.

Labor has a proud history of supporting families in the early childhood years. Labor increased the childcare rebate from 30 per cent to 50 per cent. Labor made changes to have the rebate paid fortnightly. It introduced the quality standard frames. It improved the staff-
child ratios. It established the Australian Children's Education and Care Quality Authority. It introduced the quality rating system. It provided for 15 hours a week for universal access to kindergarten. Labor did these things because Labor understands that it is not just about cost, it is also about quality. Labor understands both the pressures on families and the way support can assist. We understand that women want to remain connected in the workforce. We know both the value of women's participation in the workforce and the impact on productivity and on the economy of providing incentives to work.

A study by the Grattan Institute in 2012 showed that if Australia could match the level of workforce participation achieved in Canada, it would result in our economy being possibly $35 billion better off. How did Canada achieve this result? It invested in childcare rebates. It did not come cheap. The cost of the rebates went from $300 million in 1997 to $2.2 billion in 2012, but the return was a $35 billion boost to the economy. This current government does not seem to understand that sometimes you have to spend money to make money. Labor understands that you need to invest in our children to grow our future and our economy.

There are 10,500 families in Lalor that utilise child care, and almost one million across Australia will be impacted. The sector does not support the measures. It knows both the value of an active, engaged workforce and the impact of childcare support to achieve this. There is a current Productivity Commission inquiry into child care. For some reason, the government is keen to rush these measures through without support, with the huge impact not yet appropriately measured and with the Productivity Commission report coming. It makes no sense.

I would finish with a few observations about this bill. This bill encapsulates all that is wrong with this government's budget and all that is wrong with this government's logic and rhetoric. The implications of this bill for families across the country show us clearly that, contrary to the Treasurer's words, the age of entitlement is not over. Entitlement is very clearly enshrined for some Australians in the policy to give millionaires $50,000 and paid parental leave for the first six months of their child's life. No, Deputy Speaker, with this bill we see clearly that for working mothers and fathers who utilise child care in this country and for countless other Australians being hurt by this government's budget measures, it is the age of fairness that is over.

Dr STONE (Murray) (20:44): I too rise to speak to this bill that amends A New Tax System (Family Assistance) Act 1999 to continue to maintain the childcare rebate limit at $7,500 for three income years, starting from 1 July 2014 and maintain the childcare benefit income thresholds at the amounts applicable as at 30 June 2014 for three income years, starting from July 2014.

As a result of these amendments, to quote from the explanatory memorandum:

- Families will continue to be able to receive up to the maximum CCR amount of $7,500 per child, per financial year for out-of-pocket child care costs for the three income years starting from 1 July … and
- families' CCB income thresholds will remain at the amounts applicable on 30 June 2014 for the three income years starting from 1 July 2014 …

So the suggestion of the member for Lalor, who should have known better but I guess she was just using 'polispeak', that this is a withdrawal of childcare support from the nation's families is just not the case.
But it was even more stunning when the member for Lalor dismissed out of hand, for example, that we are seriously looking at the needs of all types of child care. This is because child care has to be flexible. It has to suit the needs of country and farming women, women in business, families in a metropolitan area, families with babies, families with toddlers and families with after-school care needs. It has to be a flexible, affordable and accessible program of child care across the country.

I was stunned to hear the member for Lalor, who has an educational background, I am told, say, 'In-home care, for example, is just what rich people want to use and is highly unaffordable.' In fact, in-home care is often the care of choice for families with newborns and very young children who they know should be kept away from perhaps an infectious environment with lots of other children in their earliest years, especially their first 12 months of life. Also women who are shift workers who cannot get child care because they are nursing at night or policewomen working at night might need in-home care support. Why shouldn’t we examine that as one of the alternatives available? We need to look at its regulation and the qualifications of men or women who might choose to offer that in-home care, but to condemn it on a philosophical basis as something for the rich—and I think they want to evoke the concept of a nanny on an umbrella or something—is just outrageous and shows you how out of touch the opposition is.

I am becoming increasingly disappointed with the opposition's women who lay into paid parental leave, particularly what is being offered by our coalition, given that their scheme refused to allow superannuation for women. How outrageous that women should be expected to leave the workforce for the period that they nurture their newborns and not receive superannuation payments. That is extraordinary. That is breathtaking because it condemns a lot of those women in older age to being dependent on welfare when if they had had continuous superannuation through paid parental leave they could have been independent, even if they divorced or were, sadly, widowed. This is what we are getting from the opposition's women. It is quite extraordinary.

Then in this area of child care and paid parental leave we are being condemned because we are having an inquiry that looks at the needs of Australians in child care and morphing into early childhood education which can happen in centres that have children from the age of newborns through to the year before they start school. Of course we should have an inquiry, because we inherited from Labor a one-size-fits-all approach.

We were all aghast, particularly in Victoria, when Labor came up with this nonsensical idea without any academic research, journal articles or overseas international comparison behind it that every child should have 15 hours of early childhood education in every childcare centre across the country or perhaps not be eligible for support. The problem with saying that you have to have 15 hours is that in all of our rural and regional childcare centres you could not continue to have one qualified early childhood educator managing one centre. We had two shifts of children—two lots of children doing 10 hours each. That was 20 hours all up, plus preparation time. That worked in rural and regional communities in Victoria—two 10-hour early childhood education programs for two lots of children. But Labor's model, brought in without consultation with rural and regional Australia in particular, said you had to have 15 hours. As I say, there was no research behind that decision. It meant that right across my part of Victoria in particular we had a sacking of full-time early childhood educators and
centres struggle because they were required to have an additional person employed. You could not have one woman—it is usually a woman in early childhood education—doing 30 hours, plus preparation, in one centre with two lots of children. So they destroyed the framework for early childhood education in Victoria with the stroke of a pen. They called it a 'national quality framework'.

I used to work in the Institute of Early Childhood as a lecturer in early childhood education for about seven years, so I am familiar with what other countries offer and what they have found to be efficacious when it comes to early childhood education. Nowhere has anyone said nine hours, 10 hours, 12 hours or 15 hours is the magic number. It depends very much on the circumstances in each part of the world and on how accessible the place is to parents when it is 15 hours versus, say, 10 hours. But we had this decree across the country that one size fits all. I am over this one-size-fits-all philosophy that came out of Labor during their six years which forgot that there are communities beyond tram tracks and beyond where buses stop.

We do not have public sector transport in my electorate, and so if a family cannot drive a child to a session of early childhood education or child care then quite often that mother cannot get salaried employment off her property or farm or out of her house. I do not think it is right or fair to ignore the special needs of rural and regional families.

I will never forget going to a wheat belt small town quite a distance from Kalgoorlie, but that was the nearest town centre. They had been hit by Labor's latest pronouncement that occasional child care had to go and that they could not possibly accept occasional child care any longer across Australia because, after all, wasn't occasional child care some sort of part-time child care and how could they possibly continue to fund that? Apparently it was not as sustainable economically and financially as full-time, full-blown metropolitan child care. The point about this little wheat belt town in the back-of-beyond, near Kalgoorlie, was that they were farm families who needed part-time, occasional care in the midst of harvest, when the women and men were out from dawn till dusk. The alternative for them was to put their toddlers in grain bins to keep them safe. They could not access occasional child care because the federal Labor government had said they would not fund it any longer. I had the then member, Wilson Tuckey, with me in that small community. The women explained that they did not have enough children to have a full-time, 100 per cent functioning, five-days-a-week childcare centre. But their need for child care was overwhelming. Their children's lives were in danger if they were left out on the wheat properties during their peak harvest period, or perhaps when they had to go to an appointment with a doctor or take an elderly relative to an appointment with a specialist. They needed occasional child care, but Labor effectively abolished it. They said you can keep going, but we are not going to fund you. But those families could not afford the funding without the government rebate.

We are completely above that sort of one-stop-shop thinking. We know about rural and regional Australia because the members from the Liberal and National parties represent rural and regional Australia. We know that in-home care is as important for some families, and as affordable for some families, as paying $110 or $120 per day for a child in a professional centre away from the home. We know about that.

We also know that it is not a luxury and that women who seek child care are not wicked people who choose to leave their house and play golf. We get that insinuation when we have the member for Lalor saying, 'How dare we pay millionaire women paid parental leave of
$50,000. How dare the member for Lalor pretend that there are millionaire women out there who are somehow going to rip off the system. She should know that our paid parental leave scheme is going to give a replacement salary to a woman earning up to $100,000—not a million dollars, thank you, Member for Lalor. A woman has every right to be paid at her full salary, just as men have the same right if they are taking workplace related leave. I find it extraordinary that we have statements like that made in a debate like this that deliberately imply we have such a thing as a millionaire woman taking paid parental leave, who would then probably have the cheek to want in-home care for her child. That is the insinuation. This is class based rubbish that you would have thought would have been relegated to the history books. But, no, it is trotted out by the opposition again and again in this place. I find that very disappointing and appalling.

I wish our Labor women members of parliament would tune in to their families and visit some of the women who have newborns and toddlers and would like very much to have the New Zealand option, where they even have a special visa category for women who come in as holidaymakers, but who pass through special regulations and checks, and become au pair type in-home carers. What a brilliant scheme. We are going to keep our minds open about all of those prospects and opportunities, because we understand that for some families in-home care is the answer, while occasional or part-time care is required for families who do not have a full-time need or are lucky enough to have a mother or mother-in-law nearby who can take up some of the child caring for them, but they still need some child care beyond the family.

We have to understand that Australians are a very mixed brood with all sorts of different needs. We certainly do understand that quality child care is the key to all of this. You do not get quality by dictating to the workforce that if they do not get qualifications immediately, with a small fund—and they will only have access to that fund if they join a union—they will not be able to be child care managers. That is what we had under the previous government. We had a requirement identified where you had to be part of the union to access part of the Labor government's funding, which in turn could be used to qualify your child carers to teach the new magic 15 hours of child education a week.

This is an extraordinary time in our Australian history. We have attacks on women and families coming from Labor, and particularly from Labor women. I think early generations of Labor women would be quite amazed about these attacks. We have attacks on paid parental leave, as a right for women. We have attacks on paid parental leave, because it is not being offered for a miserable three months but for six months, which the World Health Organization understands is the minimum time for breast feeding to be established and maintained. That is what our paid parental leave scheme gives women access to—six months on a replacement wage, or the minimum wage, whichever is the greater.

How can someone across the aisle in the opposition rant and rave and say it is about millionaires? I find that breathtaking. I say, shame on you. We know, tragically, that fewer than two per cent of women in Australia earn over $100,000. You over there are suggesting that a woman can be paid a replacement salary and superannuation—as she is if she is currently in the Public Service, or if she works for the ABC as a journo, or the police force, or the Defence Force, or for a bank, or in the insurance industry—but, no, we are not supposed to allow that for other women in the workforce. The blue-collar workers, the contractors, the women who work on farms and the women who are casual or seasonal workers are not to be
treated as eligible for superannuation and they are not regarded as needing six months to recover from childbirth, to nurture their newborn and to establish breast feeding. All of that is not meant to be for them because those opposite think there is a political point to be scored. Child care is beyond politics.

The bill before us is brilliant because it establishes appropriate support and funding for families who need it. I commend the bill to the House and I say to the opposition, particularly the women: shame on you for letting our side down—our side being women who need our special understanding in law making in this place.

Debate adjourned.

Tax Laws Amendment (Temporary Budget Repair Levy) Bill 2014
Income Tax Rates Amendment (Temporary Budget Repair Levy) Bill 2014
Family Trust Distribution Tax (Primary Liability) Amendment (Temporary Budget Repair Levy) Bill 2014
Fringe Benefits Tax Amendment (Temporary Budget Repair Levy) Bill 2014
Income Tax (Bearer Debentures) Amendment (Temporary Budget Repair Levy) Bill 2014
Income Tax (First Home Saver Accounts Misuse Tax) Amendment (Temporary Budget Repair Levy) Bill 2014
Income Tax (TFN Withholding Tax (ESS)) Amendment (Temporary Budget Repair Levy) Bill 2014
Superannuation (Departing Australia Superannuation Payments Tax) Amendment (Temporary Budget Repair Levy) Bill 2014
Superannuation (Excess Non-concessional Contributions Tax) Amendment (Temporary Budget Repair Levy) Bill 2014
Superannuation (Excess Untaxed Roll-over Amounts Tax) Amendment (Temporary Budget Repair Levy) Bill 2014
Taxation (Trustee Beneficiary Non-disclosure Tax) (No. 1) Amendment (Temporary Budget Repair Levy) Bill 2014
Taxation (Trustee Beneficiary Non-disclosure Tax) (No. 2) Amendment (Temporary Budget Repair Levy) Bill 2014
Tax Laws Amendment (Interest on Non-Resident Trust Distributions) (Temporary Budget Repair Levy) Bill 2014
Tax Laws Amendment (Untainting Tax) (Temporary Budget Repair Levy) Bill 2014
Trust Recoupment Tax Amendment (Temporary Budget Repair Levy) Bill 2014

Returned from Senate

Message received from the Senate returning the bills without amendment or request.
The SPEAKER (20:59): I propose the question:
That the House do now adjourn.

Tasmanian Wilderness World Heritage Area

Mr BUTLER (Port Adelaide) (20:59): This week the Abbott government moves Australia into refined company indeed as it becomes only the third nation, after Tanzania and Oman, to ask the World Heritage Committee to delist a World Heritage property that is listed for natural values—namely, 74,000 hectares of the Tasmanian Wilderness World Heritage Area. The Tasmanian Wilderness World Heritage Area is undeniably one of the jewels in Australia's environmental crown, and for this reason alone it must be protected. But making ill-thought-out attempts to talk down its value also does serious harm to our international reputation. The Tasmanian Wilderness World Heritage Area was first placed on the World Heritage List in 1982 and was extended in 1989, 2010, 2012 and, at the request of the World Heritage Committee, again by the former Labor government in 2013.

This area is just one great example of Australia's enthusiastic membership of the World Heritage system. Australia was the seventh nation to sign the World Heritage Convention 40 years ago this year. In its acceptance of Australia's case to extend the Tasmanian area by 170,000 hectares in 2013, the World Heritage Committee acknowledged that the Tasmanian Wilderness has outstanding universal environmental and cultural value. In contrast, the government has done nothing but talk down the area. In his extraordinary remarks to the forestry industry dinner on 5 March, the Prime Minister said:

It's forest which has been logged, its forest which has been degraded, in some cases, its plantation timber that was actually planted to be logged.

I came to appreciate the forest wasn't just a place of beauty, but it was a source of resources.

But why should we lock up, as some kind of world heritage sanctuary, country which has been logged, degraded or planted for timber?

We have quite enough National Parks, we have quite enough locked up forests already. In fact in an important respect, we have too much locked up forest.

In May I spent two days, along with the former minister for the environment, in the area that the government claims is 'logged, degraded' or 'unworthy', and I did not see widespread degradation. On the contrary, I saw habitat for iconic rare and endangered species such as the Tasmanian devil, the Tasmanian wedge-tailed eagle, the spotted-tailed quoll, the grey goshawk and the myrtle elbow orchid. I saw pristine tracts of old-growth tall eucalypt forest, rainforests, cave systems and moorlands. I saw sites and cultural landscapes of high significance to Aboriginal Tasmanians, including Nanwoon Cave. And I saw extensive tracts of spectacular old-growth forests and rainforests, including trees over 500 years old and over 80 metres tall.

But this extension is not just important for the biodiversity it protects. It is also a central component of the historic Tasmanian Forests Agreement. The Tasmanian Forests Agreement, or TFA, is the culmination of years of negotiation between unions, environmental groups and industry, and it put an end to 30 years of bitter conflict between these groups. The TFA supports both the environment, through the World Heritage extension and other reserves, and the forestry industry by guaranteeing a minimum supply of sawlogs and greater access to
export markets through cooperation with environmental groups. Any changes to the World Heritage boundary will undermine the stability of the TFA and could put export markets at risk: buyers will simply no longer want to buy timber products from contentious forests.

The Abbott and Hodgman governments have been completely incapable of indicating how this loss of certification for the forestry industry in Tasmania will not impose more pain on the Tasmanian economy. In addition, it has been revealed that the government's own department disagrees with the policy to have the boundaries changed. The environment department's expert analysis shows that less than 10 per cent of the nominated area for delisting—the 74,000 hectares—is 'degraded'. This advice is completely at odds with government claims that the area is unworthy of World Heritage status. Put simply, this attempted delisting puts the government, and Australia as a country, at odds with just about everyone and will not help Tasmania's forestry industry or its economy one bit. In the face of a scathing report from the World Heritage Committee secretariat, the mature course of action, the adult course of action for the government, is to withdraw this misguided application.

**Scientific Research**

**Dr JENSEN** (Tangney) (21:04): In the coalition we have a very clear understanding of the best way to achieve economic progress—that is, that the free market is the best driver of progress, provided that that market has integrity. Planned economies have clearly failed, and history is replete with the ashes of their attempts. This is despite the fact that a planned economy at first glance may seem attractive in terms of trying to maximise use of resources, minimise duplication and so on. The reality is that despite the duplication, dead ends and all of the other problems associated with the free market, in the medium to long term it is significantly more successful than planned economies. Indeed, I remember it being said in the 1970s that it would be better to live in a free market economy during a recession than in communist Russia during a boom.

Given this very clear understanding that the marketplace and contestability are the best ways to ensure economic success, why are we moving in the opposite direction with scientific research? We are attempting to direct scientific effort to maximum effect with research priority areas and increased funding to medical research while cutting other areas of research. Do we really believe that because someone becomes a scientist they are suddenly not human and that normal human behaviour stops once someone becomes a scientist? The fact is, the scientific research environment is a market—a marketplace of ideas. As such, this marketplace would operate better unfettered by government direction of where scientific effort should be applied because governments 'know better'. I fail to understand why we in the coalition do not know better than to assume that government is best placed to direct research. Take advances that we have seen in the past. In fact, take scientific advances that now generate about a third of the globe's economy, that being solid-state electronics.

Imagine a world where, at the turn of the 20th century, the world's governments, particularly Germany, the UK and the US, decreed that they saw the electronics industry as the coming thing and made research in electronics the research priority area, flooded it with money and removed significant amounts of funding from other research areas. What would have happened? You would have had rent-seeking behaviour, as many scientists moved from areas that interested them, where they thought there was significant benefit in terms of knowledge, to seek grants associated with advancing electronics.
Imagine that Schrodinger, Heisenberg, Dirac, Pauli and others, instead of doing work on quantum physics—after all, what applications are there and what economic benefit is there in such an esoteric field?—did work on electronics. We would probably have incredibly good and efficient valves, probably very small as well. For those who do not know, valves were replaced by new-fangled transistors. But, without that research in what would have appeared to have been an area completely unrelated to electronics—quantum physics—there would have been no breakthrough in the understanding of atomic structure that led to solid state electronics; hence computers and all the other electronic devices we take for granted today as a result of microchips would not have eventuated—a suboptimal result from directing research in an area where we know of the massive benefit!

We have been hearing much in discussion about cures for cancer and dementia. This directed research has been tried before. The US introduced the National Cancer Act in 1971, which began the ‘war on cancer’. It was hoped that a cure would appear within 10 years. Forty years later, there has been incremental improvement, but nothing approaching a cure.

Just as we would have constrained advances 100 years ago by specifying as a priority the very area that led to massive advances in electronic technology, so we may be constraining the very research activity that may lead to a cure for cancer or dementia by narrowly defining the research priority area to be funded. Just as we recognise the free market is best for economic advancement, so we should allow the magic of markets to work in the area of scientific research, to the benefit of all.

Women in Science and Research

Mr BANDT (Melbourne) (21:09): Women are not a minority. But an observer from another planet looking at the number of women working in Australia’s universities and research institutions could be forgiven for thinking that they are. The fact is that women are chronically under-represented in our universities and research organisations. For the Greens, this is totally unacceptable in 21st century Australia.

To cite one example from one high-profile research institution which typifies the problem: At the undergraduate, PhD and postdoctoral level more than 50% of our staff are women. At the laboratory head level the number drops to less than 25% and at a professorial level, it drops further to 10%. Indeed, when the previous director … at that point the only female professorial member of staff in our 94-year history—retired after 13 years in the job, none of our 20 professorial fellows was female.

In this respect I would like to recognise the lead that the National Health and Medical Research Council, the NHMRC, has taken in highlighting this problem. I believe that it has put out a marker that the gender imbalance in science and research can no longer be tolerated. The NHMRC has rated the country’s 82 universities and institutes on measures including child care, flexible work arrangements and targeted fellowships, and its findings were pretty woeful. Of the 82 universities and research organisations approached, fewer than half replied. Of the 46 that did reply, almost 70 per cent were rated unsatisfactory or poor. Just 13 were rated ‘good’ and two ‘outstanding’. And when it came to grant applications, there was a similar story.

The NHMRC found that, while women made up more than 60 per cent of the more than 500 applications last year for its Early Career Fellowships, of the 244 applications for senior fellowships, only 33 per cent were from women. The NHMRC has previously sought to level the playing field by making fellowships open to part-time researchers and taking account of
career interruptions to give carers more time to prove up their credentials. To its credit, it has recognised that more needs to be done. As the NHMRC chief Warwick Anderson has recognised: ‘What it boils down to is that we are just throwing away talent.’

A key problem is that of work-life balance and job insecurity. The time when many upcoming researchers are establishing their career is also the time when many women have to decide whether to continue with their career or to start a family. This is not a conflict they should have to face and it is not one that male researchers typically face. When one adds to that the problems of insecure work, which disproportionately affect women more than men, you can see the invidious decision that many women face. There is a clear need to correct the bias in the system, which is what the NHMRC is seeking to do. It has also been suggested by some that the ‘unpleasantness’ of the peer-review process, gender differences that influence taking on responsibility, and overt discrimination are part of this bias. There also seems to be a lack of strategic planning by organisations about how to keep women in research and universities.

I encourage other bodies in the research sector to help rid it of gender discrimination and to put in place strategic planning for boosting the number of women in science. They are missing out if they do not. What the NHMRC is now suggesting is that it could use its control of $800 million in annual medical funding to make the allocation of funding conditional on much better gender equity policies from institutions. That is a pretty powerful carrot.

As well as NHMRC taking a lead on this, there are models on how to effectively boost women in science being used in other countries. In the UK, there is the Athena SWAN Charter, which was designed to help organisations advance the representation of women in science, technology, engineering, medicine and mathematics, STEMM. This is exactly the sort of framework this country's research institutes should look at.

Righting the gender imbalance at our universities and research institutes would be a huge win for research creativity. This dearth of women in research does not just mean that they are missing out; it also means that their ideas are missing. Their innovation is missing. And that means that research institutions and wider society are being denied talent and potentially a whole range of discoveries and advances. Boost the number of women in science and the Greens believe that everyone benefits.

Live Animal Exports

Ms MARINO (Forrest—Government Whip) (21:14): There has been an improvement in the returns to beef producers in the south-west of Western Australia in recent months. It has taken an extraordinarily long time for the industry to recover from the Labor government's overnight, knee-jerk decision to end live cattle exports to Indonesia. That decision did an appalling amount of damage.

One of the key reasons for the recovery in the beef sector in the south-west has been the resumption of the live cattle export trade. Cattle in the north-west that had no export market placement were depressing the price paid to prime beef producers throughout the country. It is therefore a double benefit to see the live export trade again in operation. First, the cattle producers in the north have a market again, so they can get on with their business—a business they do very well—of providing Asian consumers with the protein they want and need. We also no longer have pastoralists going through the soul-destroying process of mustering cattle
that, in many cases, had nowhere to go. I spoke to pastoralists who, when they had no market—when it was cut off overnight—were struggling to feed their cattle and to afford the diesel it took to pump water for their cattle. We also no longer have northern beef with no export market flooding the domestic market—affecting the south-western growers in my electorate. It is a win-win outcome and the Minister for Agriculture and the Minister for Trade are both to be congratulated.

Indonesia is a critical market for Australia; however, this process is occurring not only in Indonesia. The Western Australian government has recently signed beef export agreements of significance with China. This massive marketplace for Australian beef must continue to be explored and expanded. It is essential to the growth and development of both our northern cattle industry and that in the southern states. With this in mind, I was pleased to see the iconic abattoir—and one of the very few Western Australian accredited beef exporters—Harvey Beef, which is in my electorate, bought by Andrew 'Twiggy' Forrest through his Minderoo Group. Mr Forrest has strong ties in China and I sincerely hope that he will be able to use his influence to expand markets not only for his beef products but for Western Australian beef more generally—of course I would really like to see these benefits accrue to growers in the south-west of the state.

I see today that V&V Walsh, also in my electorate, have been able to access a $1 billion joint venture, increasing the family company's operation by 30,000 cattle and 500,000 lambs—that is how much they are going to be selling in a year. They are currently processing 360 head of cattle a day and 3,500 lambs. This is a great cause for celebration and I congratulate Peter and Greg Walsh. This is a significant achievement. Of course getting better returns back to the farm gate—to farming families—is the ultimate goal of policy in this area.

There will also no doubt be benefit from the work by the Minister for Trade on developing free trade agreements in the Asian region. The free trade agreements with Japan and Korea are huge wins for the Australian beef industry and a massive vote of confidence in both the industry and the government—this has been missing for far too long. A free trade agreement with China is the natural next step and will go far towards securing the future of the beef industry in Northern Australia as well as underpinning the southern states. I know that the Minister for Trade is certainly making this a priority.

All this shows that both the Australian and Western Australian coalition governments genuinely have the best interests of the beef industry, our growers, our farmers, their families and those small communities firmly at heart. They are picking up the pieces of the destruction left by the previous federal Labor government. These are really important issues in the south-west of Western Australia. We know that the WA beef herd consists of about two million head, half of which are in the north, with the rest roaming those wonderful lush pastures in the south-west, in my electorate. This all represents very good progress for the beef industry in Western Australia.

**World Heritage Areas**

**Mr Burke** (Watson—Manager of Opposition Business) (21:19): The government currently has an application before the World Heritage Committee with respect to the Tasmanian wilderness area. It is an action taken by this government that is without need, without cause, without support and, for Australia, without precedent. For as long as Australia has been a signatory to the World Heritage Convention—and we were the seventh country to
sign on—there has been a bipartisan approach to World Heritage sites once they have been put on the list.

Do not get me wrong. Whether or not they should go on the list has often been the subject of ferocious debate, both in this chamber and in Old Parliament House. But, once something has been put on the list, there has to date always been bipartisan support. It has been accepted that when Australia tells the world that something will be protected forever, future governments will honour that commitment.

The Liberal Party has a proud history with respect to the Great Barrier Reef. It was first put on the list by Malcolm Fraser and additional marine park protection was added under John Howard. Kakadu National Park was first put on the list under Malcolm Fraser. It was extended by Hawke, further extended by Keating and was concluded, when I was the Minister for the Environment, under Julia Gillard with the Koongarra addition. The Tasmanian wilderness area was first put on the list by the Fraser government and was added to by the Hawke government. The Howard government put further adjoining areas into protection and then further extensions were made under both Prime Minister Rudd and, finally, Prime Minister Gillard.

That final extension is what is now under dispute. The Abbott government has taken a step that Australia has never previously taken. Indeed, only Oman and Tanzania have previously taken this step with respect to natural heritage. In doing so, the listing the Abbott government has gone after is the one where there was more industry, environmental and community support—more working together—than there had been on any other occasion. There are many examples of environmental protection where people have a credible argument—that it was an election commitment made by one side of politics or the other as part of an environmental political package. This was never that.

The history of this addition is different from that of anything else Australia has ever put forward. Environmental groups were willing to give up what has always been their principle—that they were opposed to all native forestry. In return, industry groups for the first time were willing to say what they wanted most was to get certification to open up their export markets, and they were willing to become supporters and advocates of a World Heritage listing.

Immediately before I told my then department to send a letter to the World Heritage Committee, I made one final phone call. It was to the head of the industry body for Tasmania to ask, ‘Do you want this listing to go forward?’ The answer was yes. The World Heritage Committee has before it now an application from Australia to undo what Australia had previously said, with the support of both sides of a ferocious debate—that this area should be protected forever. The only sort of support they have managed to find for this is a so-called environmental group called the Australian Environment Foundation. Its shares an address from time to time with the IPA and, from what I was able to work out during my time as Australia's environment minister, it is the only environmental group in this nation which is opposed to conservation. They oppose doing anything about the Murray-Darling Basin; they are opposing keeping these forests in the World Heritage area.

The World Heritage Committee have an important decision before them—a decision unlike many they will ever have. They are not deciding whether or not to put something up for protection; they are deciding whether or not to put something forward for destruction. If they
go down this path, jobs will be lost by industry. Industry want this because they want certification, which will become near impossible if this area is taken off the list. In the same way, what will happen to precious environmental areas, including areas that have the tallest flowering plants in the world? They will be destroyed forever. No-one should think that what the Australian government is proposing is a settlement of this issue. If it is taken off the list, everyone should be on notice that the campaigns to get it back on will happen and will happen immediately. The only difference will be that part of the most precious heritage of this planet will have been lost forever in the interim. I urge the World Heritage Committee to reject the irresponsible move that has been made by the Australian government.

Indigenous Eye Health

Dr SOUTHCOTT (Boothby) (21:24): I speak tonight on the subject of Indigenous eye health. Compared with non-Indigenous Australians, Indigenous adults have six times the rate of blindness and three times as much low vision. Vision loss causes 11 per cent of the Indigenous health gap and poor vision hinders education, employment, independence and the management of simple daily activities like self-care of chronic diseases including diabetes. Ninety-four per cent of this vision loss is preventable or treatable. Most vision loss can be corrected literally overnight with cataract surgery or the provision of spectacles. However, over one-third of Indigenous Australian adults have never had an eye examination.

Professor Hugh Taylor of Melbourne University has prepared an evidence based Roadmap to Close the Gap for Vision. It has been developed with extensive stakeholder input and is widely supported by the Aboriginal health sector, government, and non-government eye care sectors. The roadmap sets out how the gap in vision can be closed within four years with national leadership. Close the Gap for Vision is a discrete and highly achievable goal with high visibility. It builds on the leadership in trachoma shown by the Prime Minister when he was health minister in the Howard government. We need national leadership to oversee and progress this work. Most of the resources needed to achieve this goal are ready available. The time has come for Australia to take concerted action to Close the Gap for Vision.

Indigenous Australian have a greater burden of eye disease but receive less eye care than non-Indigenous Australians. Indigenous people suffer 12 times more cataract blindness but cataract surgery rates are seven times lower. The waiting times for cataract surgery are considerably longer—140 days on average compared with 90 days. Only 37 per cent of Indigenous adults with diabetes who require laser therapy for diabetic eye disease have received treatment and 40 per cent of adults cannot see normal print for want of a pair of reading glasses.

In 2005 Australia was the only developed country to still have endemic trachoma, an entirely preventable infectious eye disease and the cause of nine per cent of preventable blindness in Indigenous Australians. It is going to be eradicated from countries like Iran before it is eradicated in Australia. The then health minister, Tony Abbott, established the National Trachoma Surveillance and Reporting Unit. The reporting unit collected national data and established the real picture of trachoma that led to the national commitment to eliminate trachoma. Through screening, treatment and health promotion, Australia has made considerable progress towards eliminating this disease—between 2009 and 2012, the national prevalence of trachoma decreased from 14 per cent to four per cent. Although more work
needs to be done to completely eliminate trachoma and so meet Australia's commitment to the World Health Organisation, real progress has been made.

The funding required to Close the Gap for Vision and improve Indigenous eye health is modest, being less than $20 million per year, with most of these funds already committed under current programs for chronic disease and coordinated care. Closing the gap for eye health and improving Indigenous access and utilisation of eye health systems are highly achievable goals for this year and will provide quick wins in Indigenous health. The time to act is now. We know what the problem is and we know how to fix it—what is required is national leadership to highlight the issue, monitor what is being done and drive improvements in access to eye care. A strong national commitment and the establishment of national oversight to guide and monitor these activities are required, and these are the necessary next steps.

House adjourned at 21:29

NOTICES

The following notices were given:

**Mr K. J. Andrews:** To present a Bill for an Act to amend the law relating to social security, family assistance, veterans' entitlements, military rehabilitation and compensation, farm household support and the Social and Community Services Pay Equity Special Account, and for related purposes.

**Mr K. J. Andrews:** To present a Bill for an Act to amend the law relating to social security, family assistance, veterans' entitlements and farm household support, and for related purposes.

**Mr Dutton:** To present a Bill for an Act to amend the *National Health Act 1953*, and for related purposes.

**Mr Hunt:** To present a Bill for an Act to amend the *Carbon Credits (Carbon Farming Initiative) Act 2011*, and for other purposes.

**Mr Albanese:** To move:

That this House:

(1) condemns:

(a) the Government's decision to axe the Local Roads Supplementary Funding Program (the Program) for South Australia;

(b) the role of the Assistant Minister for Infrastructure and Regional Development in failing to protect the interests of South Australian councils; and

(c) the Government's failure to justify the cuts to the South Australian community and councils;

(2) acknowledges that:

(a) South Australia has 7 per cent of Australia's population and 11 per cent of Australia's local road length, yet receives just 5.5 per cent of the local road component of the Financial Assistance Grants;

(b) the purpose of the Program was to address the disadvantage to the South Australian councils under the inter-jurisdictional distribution of the local road component of the Financial Assistance Grants; and

(c) the former Government provided $17.8 million in 2013-14 to South Australian councils under the Program;
(3) notes:
(a) the Government's cuts to the Program are compounded by the Government's decision to freeze indexation of Financial Assistance Grants to all local councils;
(b) advice by the Local Government Association of South Australia that:
   (i) the cuts to the Program will have an immediate impact on draft budgets being considered by South Australian councils; and
   (ii) South Australian councils now face a choice of cutting road programs by $18 million or raising council rates to cover the gap; and
(4) calls on the Government to:
(a) acknowledge the disadvantage faced by South Australian councils under the inter-jurisdictional distribution of the local road component of the Financial Assistance Grants;
(b) reinstate the Program for South Australian councils; and
(c) unfreeze indexation of Financial Assistance Grants to local councils.

Mr Albanese: To move:
That this House:
(1) condemns:
(a) the decision by the Government to freeze indexation of Financial Assistance Grants to local governments across Australia;
(b) the resulting cuts to local government funding of $925 million over the next four years, affecting every council in Australia; and
(c) the failure of the:
   (i) Minister for Infrastructure and Regional Development to protect this critical funding to local governments across Australia; and
   (ii) National Party to stand up against the cuts on behalf of regional and remote councils, which are affected most by the freeze;
(2) notes:
(a) Financial Assistance Grants are used by every local government in Australia to maintain local roads and deliver critical community services;
(b) the Government's indexation freeze represents cuts of $925 million to local governments in every town and city over the next four years;
(c) regional and remote councils will be most affected by the cuts, with larger service areas and more kilometres of roads to maintain per ratepayer;
(d) the viability of some regional and remote councils may be compromised as a result of the cuts;
(e) the pressure now on councils to increase council rates or cut services due to the cuts; and
(f) within six years, the value of the cuts will be greater than the entire Roads to Recovery budget; and
(3) calls upon the Government to:
(a) listen to local government concerns about the impact of freezing indexation of Financial Assistance Grants on local roads and community services; and
(b) immediately reverse the decision to freeze indexation of Financial Assistance Grants to local government over the next three years.
Tuesday, 17 June 2014

The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 12:15.

CONSTITUENCY STATEMENTS

Zines, Professor Leslie Ronald, AO

Dr LEIGH (Fraser) (12:15): I rise today to speak about the passing of Leslie Ronald Zines, a great constitutional scholar and teacher. Of Leslie Zines it was said by Anthony Mason, the former Chief Justice of the High Court:

… with the retirement of the eminent constitutionalist Geoffrey Sawer, Professor Zines became the leading commentator on the Australian Constitution.

Geoffrey Lindell and Oliver Mendelsohn noted in their obituary in The Australian:

Zines rightly belongs in the company of eminent Australian constitutional scholars before him, particularly William Harrison Moore, Kenneth Bailey and Sawer—

Leslie Zines was born in Sydney on 12 December 1930, the son of a Jewish tailor who migrated to Australia from Palestine. He attended state primary schools and Sydney High School and graduated from the University of Sydney in 1952, with first-class honours in law. In 1956 he received a master of laws from Harvard University and, while attracted by the bar, ultimately found his way into the teaching profession. He believed, as I do, that law is not a set of abstract and arid rules set in aspic by past generations but develops through courts taking into account values and policy considerations. He was a tough but admired teacher over three decades at the ANU and a great exponent of the Socratic method of case teaching.

Of course his best known scholarly work is The High Court and the Constitution, which went through five editions since it was first published in 1981, a book which I am sure has been the bane of many a law student but which ended up being a fundamental text for so many Australian lawyers. He was a barrister in several important High Court cases, most notably the Franklin Dam case. Of Leslie Zines it was written in the Federal Law Review by Geoffrey Lindell that his style of legal analysis was best summed up in the way in which he marked Lindell's LLM thesis. Lindell said:

Although difficult to decipher I soon realized that they—

Zines's marginal notes—

all signified, in relation to views and propositions I was expressing an advancing, an all important word—'why'?

This not only taught me much about the art and skill of how to supervise … but also went to the heart of the academic endeavour.

I pay tribute to Professor Zines and to his partner, Judith Wilson, who survives him.

National General Assembly of Local Government

Mr HUTCHINSON (Lyons) (12:18): Many would have noticed that this week in Canberra the 2014 National General Assembly of Local Government meetings are being held. With 900 delegates and the theme of 'Getting down to business', it gives all of those community leaders, in those very important roles that they play within local government, an opportunity to interact with those of us in this place in Canberra. It is an opportunity for local government to put on the national agenda issues that are indeed important to local...
government, highlighting issues of urban communities, rural communities and territories to
government and parliamentarians in this place. At the end of it all, we are individuals that live
in communities that are governed at a state level and a federal level. But it is ultimately about
community, and the old saying that ‘all politics is local’ is indeed very true. Local government
is indeed about local grass-roots politics.

In the electorate of Lyons, I have 13 municipalities and I love them all dearly. Many of
them are here today. They represent what are the very diverse and dispersed communities
around my state of Tasmania and my large electorate of Lyons. Tasmania, ultimately, in many
ways is a microcosm of our nation with urban communities, rural communities and regional
communities. I am really pleased to welcome here this week the Mayor of the Southern
Midlands Council, Tony Bisdee; the Mayor of West Tamar Council, Barry Easter; the Mayor
of Latrobe Council, Mike Gaffney; the Mayor of Kentish Council, Don Thwaites; the Mayor
of Meander Valley Council, Craig Perkins; the Deputy Mayor of the Derwent Valley Council,
Mr Barry Lathey; and also the Deputy Mayor of the Northern Midlands Council, Mr David
Downie.

Those that are not here this week, but whom I equally represent in this place, are the
communities of the Tasman municipality, the beautiful part of the Tasman Peninsula in the
southern part of Tasmania; the Sorell Council; the Central Highlands Council; the Glamorgan
Spring Bay municipality; and the Break O’Day municipality. It is indeed a very diverse
community that I represent, and proudly represent, and I welcome the mayors and leaders of
those local governments here to Canberra this week. Thank you.

**Throsby Electorate: Budget**

**Mr STEPHEN JONES** (Throsby) (12:21): Yesterday, the Prime Minister told the House
that this was the budget that the people of Australia voted for. How can this be? How can this
be when before the election pensioners, over 50,000 of them in regions like the Illawarra and
Southern Highlands, were told that there would be no changes to pensions—

A government member: There isn’t!

Mr STEPHEN JONES: and then we see the detail of the budget? For the honourable
members who interject, they might like to do what Mr John Tardiff has done—a pensioner
from my electorate—and peel through the details of the budget papers. He contacted me a few
weeks ago and he had this to say, ‘An item in the budget has attracted little attention and will
have a devastating effect on a great number of pensioners’. Not my words, but the words of a
pensioner constituent.

John was talking about the Abbott government’s covert plan to drastically alter our
deeding rates. For singles, the threshold will be lowered from $46,600 to $30,000. For
couples, it will be lowered from $77,400 to $50,000. These changes mean that more people
will be deemed to have a higher rate of return, and significantly less pension will be paid to
these part pensioners.

There was no press release from the government. I did not see a member from the
government stand up in the House and say, ‘This is a change that we are proud of’. Instead,
they tried to sneak it through under the cover of darkness, buried in hundreds of pages of
budget papers, hoping the nobody would notice until it was too late. Well, pensioners are on
to them. People can understand why the government would want to stay quiet on this because
it is just one of many changes that they are seeking to push through which are going to betray 2.3 million Australian pensioners.

The Prime Minister will slash the current indexation system which keeps pensions in line with cost-of-living changes. If this change had been in place for the last four years, a single pensioner on the maximum rate would be about $1,500 a year worse off than they are today. Just imagine that. The Prime Minister wants to introduce a new GP tax and increase charges on pharmaceutical benefits, which will hit pensioners as well. On July 1 this year, the Prime Minister has also announced that he is going to abolish the national partnership agreement on certain concessions for pensioners and Seniors Card holders, putting more pressure on state governments, and local governments as well, who offer valuable concessions to thousands and thousands of pensioners in my electorate. Some premiers have said that they will be able to meet the debt over the short period of time but not over the long period of time. Pensioners are going to be whacked again. Pensioners in this country, in my electorate, have every reason to feel betrayed. There was not a word of it from the government before the election, but pensioners are on to it now. *(Time expired)*

**Forde Electorate: Sporting Community**

Mr VAN MANEN (Forde) (12:24): I am very proud to take this opportunity to speak about the local sporting community in my electorate of Forde. Our clubs produce some of the best talent in this country. Whether it is in a team sport or an individual discipline, on any given day there is another local sporting champion rising up. We often have our local champions compete not only on a national level but all around the world. For example, 16-year-old Shailer Park volleyball player Bryce Poland will lead Australia's charge at the maiden championships in Mexico this July to become the first country to win the World Under-17 Beach Volleyball Championship. Over in Edens Landing, and at just 10 years old, Brody Nunn is set to make history by becoming the first Australian to compete in the 2014 Miniature Bull Riding World Finals in Las Vegas in December. Only the very best get to compete at this invitation-only event, which will see about 12 participants up to the age of 13 compete to be crowned the world champion in front of a crowd of 20,000 spectators.

In another historic event, the Waterford Demons Rugby League Club has made history by becoming one of the first teams to join the new Brisbane girls rugby league competition. Around 16 girls formed an under-14s team and I understand there is interest in forming additional girls teams to field an under-15s team and an open women's team.

In other news, some time ago I had the privilege of hosting the Minister for Health and Minister for Sport in my electorate and we visited the Gold Coast Compound, a world-class indoor ramp park. Since our visit, Tom Herzog has been busy promoting interschool competitions and girls-only sessions to encourage more female participation in the BMX, scooter and skateboard sessions which he holds on Monday nights. During the minister's visit, we also met with the Park Ridge Pirates Junior AFL Club at their home base at Park Ridge State High School. Over the past few years we have been working with the club to help them grow their facilities as the club continues to go from strength to strength.

The Pirates' President, Andy Colenso, said that Park Ridge State High School had benefited greatly from their location at the school, with fewer break-ins and incidents of vandalism in the five years that the club has been there. The club won two championships last year and is keen to expand into senior divisions. It has been successful in achieving that, with a new
senior team coming on board this year. I would like to thank the state government for their commitment of $100,000 towards upgrading the facility with the installation of lights to enable both the junior and senior divisions to enhance their training.

Gellibrand Electorate: Victoria University

Mr WATTS (Gellibrand) (12:27): It is now well and truly clear that the Abbott government's budget of broken promises has been roundly rejected by the Australian public. They did not vote for it and they do not want it. In response, the desperation of the Abbott government is growing by the day and we are starting to see some truly extraordinary justifications for the measures in the budget. The most extraordinary yet is the Treasurer's latest justification that the budget is really about restoring fairness to Australian society. Well, I can definitively inform the House that there is nothing fair about the government's proposed higher education changes.

The cornerstone of a fair education system is equality of access: that merit, not means, should determine who goes to university. That is what our current tertiary education system—a system designed by the Labor Party in government—is designed to achieve. Take Victoria University in my electorate, the centrepiece of tertiary education in Melbourne's west. Victoria University prides itself on being a university that brings people in from all walks of life to receive a great education, in particular those who do not have a family history of attending university. Indeed, in his recent Mitchell lecture the Vice-Chancellor of Victoria University, Peter Dawkins, stated that the aspiration of Victoria University was to:

… provide outstanding opportunities for students from diverse education backgrounds to enter and exit tertiary education …

The figures support this aspiration. Currently, around 60 per cent of Victoria University's students undertaking a bachelor degree do not have parents with university degrees. This is around double the national average. The Abbott government's plans to massively hike both student fees and their ongoing debt costs, however, are a direct attack on this model of opportunity. According to Professor Bruce Chapman, the original designer of the HECS higher education system, as a result of these changes:

Fees will go up and they will go up quite significantly.

How much would these fees rise? Initial estimates have suggested they will rise by at least 30 per cent, but other commentators are even more pessimistic. Indeed, Professor Chapman suggests:

… most universities will increase tuition fees to international student fee levels, which are currently about three times higher.

For students from families who have never studied at the university before, this level of debt is incomprehensible. How does a 16-year-old from a family in Sunshine in my electorate—from a family which is never undertaken tertiary education—justify taking on over $50,000 in debt just to take a degree?

For many students who do not have firsthand experience of the benefits of further education in their family homes, this cost will be enough to prevent them from seeking this higher education. This is the fear of VU vice-chancellor Peter Dawkins, who has argued that the Abbott government's proposed changes carry a real risk of:
… discouraging disadvantaged students and/or diminishing the quality of education that students from poorer backgrounds receive, …

He says that this 'iniquity' is the most concerning effect of the budget. This is a far cry from the fairness furphy being pushed by the Treasurer.

The Abbott government may try to use the facade of fairness in trying to defend their indefensible budget, but even the experts agree that the change in the university sector will make Australia a more unfair and unequal place. *(Time expired)*

**Men's Sheds**

Mr COULTON (Parkes—The Nationals Chief Whip) *(12:31)*: I would like to speak about something a little bit more pleasant! And that is about Men's Sheds and the important role that Men's Sheds play not only in my electorate but right across Australia.

Next week I am pleased to be hosting a barbecue, along with my colleague the member for Fowler, Mr Chris Hayes. This follows on from a barbecue that we had on the front lawns here a couple of years ago that was very successful; we had 300 people turn up. This one will be slightly different; it will be in the members' courtyard on the House of Representatives side. This is an opportunity for members to show support for Men's Sheds within their electorates and the organisation as a whole.

The beauty of Men's Sheds is that they cater to the particular interests of the men in that particular area. I have Men's Sheds groups in my electorate that play musical instruments. I have to say that when I was singing along with them there a couple of weeks ago in the South Dubbo Men's Shed I do not know that I enhanced what they were doing! But, certainly, it is great to see these guys who probably played in their younger years and who are now in retirement have got the guitars out and dusted them off. Apart from playing a couple of times a week at the Men's Shed, they are now going to the aged facilities in Dubbo and playing to the residents there. So it is a really great thing.

They are restoring vintage cars in other ones and building toys and selling them for charity. There is a whole range of things at the Men's Shed. Sometimes, you just need to go down there and have a cup of tea and a yarn—that is probably my sort of Men's Shed. But right across my electorate in almost every town there is a Men's Shed.

The support that men are able to offer each other as a member of their local Men's Shed is substantial. This is an outlet where men can gather, have a yarn and a cup of tea and share with each other. Men's Sheds also play an integral role in the dissemination of health advice for men. I should mention the Gulgong Men's Shed, where they have a very successful men's health forum and talks about all sorts of issues that are relevant to the health of men, particularly older men.

The second parliamentary Men's Shed barbecue will be held in Parliament House next Tuesday, 24 June, from midday till 2.00 pm. There will be a representative from different sheds in the House at the time. I congratulate them for their willingness to travel down and share with us in this place their experiences. I would encourage all members and senators to come along and meet the men from the Men's Shed movement and find out more about this wonderful organisation. It is the fastest-growing organisation, I believe, in Australia.
Mortimer, Mr Charles 'Charlie'

Mr CHAMPION (Wakefield) (12:33): One of the great honours I had when I was first elected in 2007 was to meet a number of the Rats of Tobruk, who were veterans of the Tobruk campaign and who were residing in my electorate. One such man was Charlie Mortimer. It is with a great deal of sadness that I inform the House that Charlie passed away on 23 May this year. I am indebted to his wife, Kath Mortimer, for letting me know and also for providing me with a bit of information about Charlie's service during World War II.

Charlie was an irrepressible character—a really outspoken member of the Elizabeth RSL. His service I think does tell you something about the man. He served in the 50th (Northumbrian) Division. In 1939 he was in England, France, Belgium and Luxembourg. In 1940 he was taken off the beach at Dunkirk. In 1941 he was in Egypt and Cyprus. In 1943 he served with the Eighth Army in Libya, Tobruk, Tunisia, Syria, the Caucasus, Saudi Arabia, Iran, Iraq, Palestine, Italy and then back to England. In 1944 he was in France at Normandy. It tells you a lot about Charlie and the men who served with him just the vast distances they covered and the service they saw and the bravery they exhibited. We will never see a generation like them again I don't think—to live in such dramatic times and to meet those dramatic times is a wonderful thing and an impressive thing.

In 1945 he was demobilised and Charlie liked the Australians he met so much that in 1950 he immigrated to Australia. Charlie was, as I said before, one of those irrepressible characters, a really outspoken member of the community. He would always tell you what was on his mind but he would do it in such a friendly and decent way that you couldn't help but love him. He moved from Elizabeth to Red Hill—Red Hill is a small town in the mid-north of South Australia. He was 95 at the time. I said to Charlie, 'Charlie, do you think it is wise to move so far away from good medical facilities?' He said, 'Why would I need a hospital, Nick?' It says everything about the man—he was an indestructible character. It is with a great deal of sadness that I inform the House that he passed away in the care and company of his wife. He was a great man and we will never see the likes of him again.

Tangney Electorate: Roe Highway Stage 8

Dr JENSEN (Tangney) (12:37): In the electorate of Tangney there is only one issue that everyone is talking about. In fact, this one issue is something that people of Tangney have been talking about and asking for for over a decade—I refer to Roe Highway extension stage 8. Thankfully, the people of Tangney no longer have to wait thanks to this all-action Liberal government. Roe Highway stage 8 will be completed to overturn the planning bastardry of previous Labor governments.

Roe Highway stage 8 has been a defining difference between the Liberal and Labor parties for more than a decade. Labor's decision to axe the Fremantle Eastern Bypass, the southern extension of the Stirling Highway through White Gum Valley, was one of the worst acts of planning bastardry in WA, followed closely by the spaghetti junction, where Roe 7 and the Kwinana Freeway now meet. Labor also chose to site the new Fiona Stanley Hospital in Murdoch, creating traffic congestion that is costing millions of dollars to manage.

I note here that the state Labor minister responsible for the bastardry was none other than the current member for Perth. I would like to inform the member that every cost-benefit analysis, every environmental impact statement and business case is in favour of Roe 8.
Building that road will massively reduce particulate emissions in the area. The serious point relates to the ease of access to the hospital for critically ill patients and it is criminal to think that Labor may have issued death sentences on many in my electorate—a death sentence because Labor fobbed to the will of a few Communist left goonies. Taking heavy duty commercial traffic off Leach Highway makes sense for families and communities in my electorate but also for business. The coalition is the only party with a plan to build not just a road but a whole strategy that looks to the Fremantle port and the airport. The Liberals have a holistic strategy for WA. It is a strategy that brings jobs and growth to WA and to my electorate of Tangney. The member for Perth should have known better and today should apologise to the state of WA for her criminal decisions. Speaking on the Railway Agreement (Western Australia) Amendment Bill 2014, on Wednesday, 28 May, the member for Perth said:

… this road was comprehensively demonstrated not to represent value for money and, indeed, not to be conducive to good planning.

I challenge the member for Perth to say that to any person in my electorate of Tangney.

**Budget**

**Mrs Elliot** (Richmond) (12:39): I rise to speak today about the community rally held in my electorate last week in response to the Abbott government's cruel and unfair budget. I would like to thank those hundreds of people who attended my Fighting For a Fair Go Rally last Thursday at the Tweed Heads Civic Centre. Can I particularly thank the elderly and the parents with young children who travelled to this really important protest. I would like to acknowledge the fact that many people also travelled very long distances to attend this meeting.

The rally was arranged in response to the overwhelming community concern about this unfair budget. It was also in response to the fact that this is a budget of broken promises and twisted priorities. Before the election the Prime Minister and indeed all of his candidates—and in my area that was all of his National Party candidates—were running around saying there would be no cuts to education, no cuts to health, no cuts to pensions. They all lied. This budget contained all of that. These are the issues that were raised at the rally.

I would also especially like to thank and acknowledge the guest speakers: Walt Secord, an MLC from the New South Wales parliament, the shadow minister for the North Coast and shadow minister for roads; and Ron Goodman, Labor's candidate for Tweed in the state election next year. They spoke about the unfairness of this budget.

The rally was about hearing the concerns of locals, and they have many concerns. The issues raised included the $7 doctor tax, the petrol tax, the cuts to age pensions, the cuts to family payments, the cuts to education and the cuts to homelessness funding—many of the difficulties for regional communities in the face of this cruel budget. State issues were also raised, particularly the concern about increases in power prices due to the New South Wales Nationals' plan to sell off the poles and wires and what that will mean for people in regional communities.

Of course, there were many signs at the rally, saying things like, 'Nobody voted for this,' 'Nobody voted for uni cuts or doctor taxes,' or, 'Nobody voted for cuts to pensions.' Those signs reflected the sentiment of the people there. What this shows is the federal and state
governments are so out of touch with the concerns of people struggling week to week. They just do not understand. The people who were at this rally felt betrayed by this government. One of the strongest sentiments at the rally was: ‘Surely Australia is a better place than this. Surely we are better people and fairer people than what this government is doing to our community. Surely we are not that cruel.’

At the conclusion of the rally there was a vote and a resolution passed. The rally resolved that I raise in parliament the fact that people on the North Coast reject the Liberal-National Party's unfair budget and acknowledge the fact this budget is harmful to families, seniors and young people. The people of the North Coast condemn this cruel and unfair budget. That truly was the sentiment of the entire rally, of the more than 300 people who travelled there. They feel totally betrayed by this government. This budget is impacting so many people and their cost of living, particularly in areas like mine. We have a very high proportion of older Australians. We have many young families as well, all of whom are being devastated by this very unfair and cruel budget.

**Lindsay Electorate: Queen's Birthday Honours**

Ms SCOTT (Lindsay) (12:42): I rise today to acknowledge some truly remarkable Australians who have contributed much to the Lindsay community and have, rightly so, been formally acknowledged for their service in this year’s Queen's Birthday Honours list. Awarded an AM was the dynamic and inspirational Paul Brennan, recognised for his service to business and commerce through his role as general manager of ASP Healthcare. Paul has spearheaded a business that has pioneered a specialised safe container for the disposal of used needles and syringes. Further, Paul has been commercialising this successful technology and now exports these containers to the United States, the United Kingdom, Canada, New Zealand and France. Paul is also Chairman of the Penrith Business Alliance and a board member of the Nepean-Blue Mountains Medicare Local.

I would also like to acknowledge the service of Phil Gould, who was awarded an AM for his service to Rugby League. Phil's involvement in sport at elite levels spans nearly four decades, as an administrator, commentator, coach and player. Phil was the youngest captain-coach of the mighty Panthers and in 1990 led the team to its first ever grand final. In 1991 he delivered us our first premiership. His skills off the playing field are just as impressive as his skills on the field, as a commentator for Channel 9 and the Fairfax media. It is no coincidence the Panthers got to the top of the NRL ladder with Phil's return to the foot of the mountains as Penrith Rugby League's general manager.

In the category of OAM was the Reverend Dr Kenneth Chant of Werrington. I would like to recognise here today the parliamentary chaplain as well. Reverend Chant was recognised for his service to education and theological education. Reverend Chant founded the Vision Christian College for Australia in 1974 and is its current president. The college is an international and interdenominational Bible correspondence school which services over 100,000 students across 145 nations through its internet based Bible college programs and 4,000 local church campuses.

I would also like to acknowledge Panthers chairman Don Feltis, who was also awarded an Order of Australia Medal for his service to New South Wales rugby league. Don has been the chairman of both the Penrith Panthers and the Panthers on the Prowl since 2009.
I would also like to acknowledge Orchard Hills, which is home to Peter Nicholson, who was awarded a Public Service Medal for his astounding service to the New South Wales Police Force. Mr Nicholson joined the New South Wales Police Force in 1970 and is widely recognised as a person of impeccable character and integrity. Peter has dedicated countless hours of his personal time to support colleagues, offering encouragement, compassion and empathy during some very difficult times.

I would like to congratulate all these remarkable men for the services they have provided our community. May they continue to build a wonderful community in Lindsay.

The DEPUTY SPEAKER (Mr Mitchell): Order! In accordance with standing order 193 the time for constituency statements has concluded.

BILLs

Appropriation Bill (No. 1) 2014-2015
Consideration in Detail
Foreign Affairs and Trade Portfolio

Proposed expenditure, $6,633,713,000
Debate resumed.

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (12:46): First I will make a brief opening statement on behalf of the Minister for Trade and Investment and I, and then we will accept questions relating to the portfolio. The 2014-15 Foreign Affairs and Trade Portfolio budget statement reflects the government's commitment to protecting and projecting Australia's national interests as an open market oriented economy and our values as a free liberal and democratic country. The government is giving priority to strengthening Australia's key bilateral relationships based on a foundation of common interests and mutual respect. We will continue to work with our friends and partners in forums such as APEC; ASEAN, where we are celebrating our 40th year as a dialogue partner; the East Asia Summit; the Indian Ocean Rim Association; and the United Nations and other fora to enhance cooperation and trust between nations.

We will build a new generation of people-to-people links through initiatives such as our signature New Colombo Plan, which will see Australian undergraduates study and work in the region. As we promised at the last election, we will have a pilot plan underway in the New Colombo Plan by the end of this year. About 1,300 New Colombo Plan scholars will be studying at four locations in our region: Singapore, Indonesia, Hong Kong and Japan. In 2015 we will be opening up the New Colombo Plan to other countries in the region, and already China and South Korea have agreed to be part of it. The New Colombo Plan is raised by presidents, prime ministers and foreign ministers in our region as being a wonderful expression of Australia's foreign policy.

We have also elevated economic diplomacy to a core pillar of our international engagement to help drive greater prosperity for Australia. Just as traditional diplomacy focused on the goals of peace, so economic diplomacy focuses on the goals of prosperity. As part of this, the government will continue to pursue an aggressive trade and investment agenda. This agenda is already paying dividends: the Minister for Trade and Investment has concluded high-profile free trade agreements with South Korea and Japan and made very good progress on an
agreement with China. These are trade negotiations that commenced under the Howard government, and it is fair to say the Abbott government has now achieved more in seven or eight months than those opposite managed in six years. We have staged major investment forums all around the world, and almost $1 billion in commercial deals were finalised during Australia week in China alone during the visit of the Prime Minister and the minister for trade recently.

The government's decision to restore $200 million in capital to the Export Finance and Insurance Corporation after funds were ripped out by Labor and boost the Export Market Development Grants scheme by $50 million shows that, as the Prime Minister announced on election night, Australia is once again open for business.

Tourism is one of our economy's great strengths. Our $43 million commitment to the new Tourism Demand-Driver Infrastructure Program and $10 million in new funding for the Australia-China Approved Destination Status Scheme will further strengthen the tourism industry and create jobs, particularly in regional Australia. Other key funding announcements in the budget include over $35 million to continue Australia's diplomatic engagement in Iraq and support co-location of embassy staff with Britain, over $51 million to continue diplomatic engagement in Afghanistan and $6½ million over two years to support Operation Sovereign Borders and continue regional engagement on countering people-smuggling activities.

Fixing Labor's economic mess requires the government to make tough but necessary decisions to set the path back to surplus. The Australian government will deliver an aid program the country can responsibly afford. We are focusing on our region where we can make the biggest difference. In 2014-15 the government will spend around $5 billion in official development assistance. That will rank Australia within the top 10 OECD donors. We have increased funding for humanitarian emergencies and refugees from $264 million to an estimated $338 million to strengthen Australia's ability to respond to situations, such as Syria and, indeed, Iraq.

The government has reversed Labor's cut to the emergency fund. They diverted $740 million out of the aid budget to pay for the blow-out in onshore-processing costs. This was a policy that made the Gillard government itself the third largest recipient of the Australian aid program. We have also increased the scholarship program by 30 per cent to help approximately 4,500 students from developing countries study in Australia.

Mr THISTLETHWAITE (Kingsford Smith) (12:51): In December last year I was fortunate to visit Vanuatu with the foreign minister and visit in the capital the Vanuatu Women's Centre. We spoke to a young Ni-Vanuatu girl who is benefitting from Australian aid dollars. She was the victim of domestic violence. She is benefitting from a scholarship under an Australian technical college. This is an example of Australian aid dollars delivering first-hand good results in our region and dealing with two of the biggest issues facing the Pacific: domestic violence and a lack of job opportunities. Programs such as this are uncertain under this government because $7.6 billion has been ripped out of the overseas development aid budget. The goal of our nation reaching 0.5 per cent of GNI in overseas development aid has been completely abandoned.

What is the view of our neighbours in the Pacific on this government's approach to overseas development aid? It is perfectly highlighted in public by the foreign minister of the Marshall Islands, who recently said:

__FEDERATION CHAMBER__
Australia has always been our friend but the change in their government last year has resulted in problems. That is the view of the foreign minister of the Marshall Islands—one of our closest neighbours. It was followed by the President of the Marshall Islands, Christopher Loeak, saying this week, with respect to this government's abandonment of overseas development aid in respect of combating climate change in our region:

Prime Minister Abbott's comments on Monday with Canadian Prime Minister Stephen Harper are a further indication that Australia is isolating itself on this issue. That is the view of some of our closest and nearest neighbours when it comes to this government's approach to overseas development aid. Isolating Australia is exactly what this government is doing by abandoning the 0.5 GNI goal and cutting $7.6 billion from the overseas development aid budget.

Recently two well-respected aid advocates visited Australia. Professor Jeffrey Sachs, who is from the Earth Institute at Columbia University, spoke in Australia about the importance of aid. He said that, with additional investment in aid, we could dramatically shift the development trajectory of the world's poorest countries and we could do it by focusing on just four goals: immunisation, malaria, HIV/AIDS and education, especially for young girls. He also observed that it is inexplicable for a country like Australia to be cutting aid, because ultimately it is in our best interest to support the development of a fairer, more prosperous and more stable world.

I was also fortunate to recently meet with the Rt Hon. Stephen O’Brien, a Conservative member of the UK House of Commons and global malaria advocate for the Roll Back Malaria Partnership. Mr O’Brien spoke quite passionately and proudly of the UK government's achievement in lifting overseas aid to 0.7 per cent of GNI. The British Prime Minister, David Cameron, has called the massive increase in British foreign aid his proudest achievement in government. David Cameron said, 'We accept the moral case for keeping our promises to the world's poorest, even when we face challenges at home.'

The UK economy was battered by the global financial crisis. Unemployment was double that in Australia. Growth was lower than that in Australia. The UK in December 2013 had a net debt of 75 per cent of GDP. Australia has a net debt of 14 per cent of GDP, almost one-fifth of that of the UK. Yet this government is crying poor when it comes to overseas development aid and reaching the goal that most other nations are aspiring to, of lifting our overseas development aid to 0.5 per cent of GNI.

The unfortunate thing about this whole issue is that it appears that this minister has allowed close to $16 billion to walk out of her portfolio without a word. What did the minister say in cabinet deliberations when the ERC were attempting to cut so much money from her budget? Did the minister stand up for overseas development aid and Australia's relationships, particularly in the Asia-Pacific region? Did the minister say no when the Treasurer came a-knocking and said, 'We're going to cut 500 jobs from DFAT?' What was the minister's response? How will the minister explain the Australian government's decision to break its promise to the world's poorest countries by cutting real spending on aid? How does the minister expect to be judged by the international community?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (12:56): How does the shadow parliamentary secretary explain to the Australian people that he is to borrow another
$16 billion for the aid budget? Where is the money coming from, Shadow Parliamentary Secretary?

Mr Thistlethwaite interjecting—

Ms JULIE BISHOP: I know all about Labor's budget. In fact, what happened is Labor announced an additional $5.7 billion for the aid budget and then took the money away. There is no way that the Labor Party was ever going to meet its target of 0.5 per cent of GNI. In order to do so, it would have had to increase funding by $3.5 billion in 2017, in one year alone. The shadow parliamentary secretary at the table knows that Labor never had any such intention. The misleading way that Labor had been announcing funding for the aid budget and then pulling it away to cover blow-outs in the rest of its budget is nothing short of a disgrace.

In fact, the Australian Council for International Development welcomed our decision to stop diverting the money out of the aid budget to onshore immigration costs, as Labor had done.

The shadow parliamentary secretary ought to get his facts right. He mentioned Vanuatu. Funding to Vanuatu is increasing under this budget. Funding to Fiji, Tonga, Kiribati, PNG, Tuvalu, Solomon Islands, Vietnam, Cambodia, Burma—it is all increasing.

Labor's trajectory, which they were never going to deliver on, was irresponsible, unaffordable and unsustainable. We have put the aid program on a $5 billion a year funding basis. It is responsible, affordable and sustainable. We are the 10th largest donor in the OECD, the second largest donor in our region after Japan. I am particularly concerned to ensure that the funding goes where we can make the biggest difference. Instead of spreading the aid funding around the world to try and buy a seat on the UN Security Council, what we are doing is focusing our aid on the region where we can make the biggest difference.

The shadow parliamentary secretary raised the issue of the Marshall Islands. Perhaps he cannot understand this, so I will help him out. The Marshall Islands comes under North Pacific. The North Pacific funding is increasing this year. The North Pacific funding goes from $4.8 million to $5 million this year. It is an increase on what Labor delivered for the North Pacific. We have also increased our funding, as I said, for humanitarian programs by 28 per cent. This includes an increase to the emergency fund of 33 per cent.

I have to tell you about this emergency fund. This was so that we could respond to natural disasters. Yet it was out of this emergency fund that Labor ripped $740 million to fill a hole in the immigration budget for onshore processing—not for offshore processing but for onshore processing. This made the Labor government itself the third largest recipient of Australian government aid. That kind of reckless, scandalous behaviour will not continue. Tomorrow I am announcing the new aid policy under this government. It is responsible, it is affordable and it is sustainable.

We are also increasing the funding for scholarships. I am pleased to say that next financial year there will be about 4,500 recipients of scholarships under Australian aid. Also, we are providing a record level of funding for the Palestinian territories. It is a total of $56 million, which is the largest amount ever provided by the Australian government in any one year. Our aid will be used to build governance and economic support in the Palestinian territories.

Our funding for the Australian NGO Cooperation Program has increased by more than $3 million in the budget to a total of $134 million. That is a record level. The NGOs of course play an important role in delivering aid and under our new performance benchmarks, which I
will announce tomorrow, I envisage that higher-performing organisations—including NGOs—will receive a greater share of the aid budget should they meet those benchmarks.

What you are seeing here is a government prepared to take the tough decisions to repair Labor's budget disgrace—the debt and deficit disaster left by Labor, where they were borrowing from overseas to send money back overseas as aid. As the predecessor in foreign affairs, Bob Carr, said:

… you can't run aid on borrowings.

Perhaps the shadow parliamentary secretary ought to think twice before he breaches bipartisan confidences, as he did on our visit to Vanuatu. I invited him in to have conversations with the prime minister and ministers and then the shadow parliamentary secretary broke the confidences of those meetings.

The DEPUTY SPEAKER (Mrs Griggs): I call the member for Casey.

Mr Albanese: I rise on a point of order. The standing orders are very clear. You were advised, Madam Deputy Speaker, by the clerks about the House of Representatives practice and the standing orders, which are that the call alternates between sides.

Mr Tony Smith: On the point of order, the previous government changed the practice—certainly in the last two or three years, and a number of members on this side experienced this—so that a speech and a question was asked from the opposition side and answered by the relevant minister, to be followed by a speech and a question on the government's side. That was established in a number of these committees in the last couple of years. It might not have been the practice of the former minister, who is now on his feet, but I can assure him that his colleagues—particularly in the Treasury portfolio—adopted that practice and established that convention.

Mr Albanese: On the point of order, Madam Deputy Speaker: you are in the chair not as a partisan person. You are there to conduct the standing orders and to observe the House of Representatives' practice. You have received advice—

The DEPUTY SPEAKER: I was given a speaker's list and the member for Casey is on the speaker's list. If the minister keeps standing, then no one on this side is going to get the call. I am giving the call to the member for Casey.

Mr Albanese: We should deal with this resolution appropriately. We are not having the circumstances of this chamber altered for the convenience—

The DEPUTY SPEAKER: Do what you must. I am giving the call to the member for Casey.

Mr Tony Smith: I only have a very brief question.

Mr Albanese: Madam Deputy Speaker, you were given advice by the clerks.

The DEPUTY SPEAKER: How do you know what the advice was?

Mr Albanese: Because the Clerk knows the way that this chamber has been in practice. Indeed, in the consideration in detail process a week ago, you attempted to rule the same thing and changed your ruling upon advice just one week ago when you were in the chair.

The DEPUTY SPEAKER: You are reflecting on the chair.

Mr Albanese: I am reflecting on the chair.
Mr Albanese: I am completely reflecting on the chair and saying that last week you made a different ruling. You cannot change the ruling this week.

Mr Tony Smith interjecting—

Mr Albanese: That changes the dynamic of the consideration in detail process.

The DEPUTY SPEAKER: So you are going to continually interject and cast aspersions on the chair until you get your own way. Let us play it your way then—you have the call. Happy now? I just have to say that that is not being partisan.

Mr ALBANESE (Grayndler) (13:05): The worst fears have been realised when straight after the election the government failed to appoint a tourism minister. The fact is that we saw in the budget the worst fears realised—all of the tourism grants being cut including round 2 of the Tourism Industry Regional Development Fund. This left regional tourism operators in the lurch. Some 450 tourism businesses had applied with matching funding and this meant that that private investment was also lost. They even tried to cut grants that had already been announced such as the TQUAL grants that had been announced in 2013. At the same time, the parliamentary secretary, the member for Paterson, was happy to pose with pictures over the internet at Labor government-funded tourism projects that his government had tried to axe.

We also saw broken promises to increase Tourism Australia funding. We saw budget trickery in this budget with the rolling of the Asian Marketing Fund into Tourism Australia funding to make it look like there were no cuts. We have also seen the axing of the Survey of Tourist Accommodation and we have seen the dumping of domestic marketing on the states and territories. This is particularly important for the regional tourism sector. Despite domestic travel being 70 per cent of the sector, the Queensland budget slashed their funding by some 20 per cent.

We have also seen job cuts at Tourism Research Australia. The problem with this government is that they have not prioritised tourism. It has just been a political opportunity. As an example of that, I ask the minister to respond to the so-called Cadbury tourism grant. This was a grant where tourism was not mentioned in the original statement and some nine months after the election in the Senate estimates process, Bruce Gosper, the CEO of Austrade, said, ‘In respect of the proposal for funding for Cadbury factory, that is something that we are still dealing with. We are waiting for a business plan from Cadbury so that we can take that forward.’ How is it that in a budget that has cuts to health, education and foreign aid, we see $16 million allocated for a project that does not have a business plan presented to the government from Cadbury? When will that business plan be presented? Will it be made public and transparent and when will this grant actually occur?

This stands in stark contrast to the fact that regional tourism operators including those in Tasmania have been left behind by the cutting of the Tourism Industry Regional Development Fund. How does the minister justify the $16 million grant for an application that never got put forward before the former government and compared that—or it was not an application either for the Tourism Industry Regional Development Fund—while at the same time they are making these cuts in this area?

Mr TONY SMITH (Casey) (13:08): I ask a series of questions to the Minister for Trade and Investment about a very important part of the budget, namely, the Export Market
Development Grants program. As the members on this side of the chamber know, this is an important program that supports entrepreneurs and growing businesses across Australia. I am particularly interested in the funding within the appropriations for this particular grants program, how that compares with funding during the last couple of budgets, and any changes or enhancements that the government has made to this important program. As members are well aware, businesses seek grants from this program on the basis of growing their export businesses. I would ask the minister how the funding compares and about any changes that have occurred within this budget.

_The DEPUTY SPEAKER (Mrs Griggs):_ I am giving the call to the minister.

_Mr Thistlethwaite:_ Based on the ruling that was made earlier—

_The DEPUTY SPEAKER:_ I just got some advice from the Clerk, who advised that I should give the call to the minister.

_Mr Thistlethwaite interjecting—_

_The DEPUTY SPEAKER:_ Please sit down. I have given the call to the minister.

_Honourable members interjecting—_

_The DEPUTY SPEAKER:_ One minute you want me to take the advice and the next minute you do not. This time I have taken the Clerk's advice, as I did last time when I gave the call to the member for Grayndler. I am giving the call to the minister and I would like the member for Kingsford Smith to sit down. We are not going to have these shenanigans for the rest of the afternoon.

_Mr ROBB (Goldstein—Minister for Trade and Investment) (13:11):_ I thank the member for Casey for his question. I suppose one of the most successful business programs over a long period of time has been the Export Market Development Grants Scheme. Yet we saw in a desperate bid to prop up or establish that proxy surplus—that dud surplus that they spent years trying to present, but only to the effect of introducing the four biggest budget deficits in our history—one of the many, many programs that the previous government attacked was this most effective Export Market Development Grants Scheme. No wonder 512,000 people in the small business sector lost their jobs during the term of the previous administration. They have no sense of the innovative capacity or the job creation role of the small business sector. As a consequence, they even cut $25 million from this very important program.

The government now has sought to turn around the prospects of the small business sector, and in regard to the export market development grants we have added an additional $50 million over four years to enable our small and medium sized business sectors to identify and gain from a lot of the important opportunities that are starting to emerge in the region around us. Not only have we increased the amount of money; we have increased the maximum number of EMDGs from seven to eight. This will, in many ways, provide significant benefits. We have reduced the eligible expenditure threshold from $20,000 to $15,000 and we have reduced the current $5,000 deduction from the applicant's provisional grant to $2,500. All of this will enable the payment of grants in years of low scheme demand, or where additional funding is provided.

This is a comprehensive program at a time when we are desperately looking to have the government live within its means. There are two ways of doing that: you cut spending that is excessive, but you also grow the economy at the same time. A big part of growing the...
economy is breathing life back into our small business sector. This is one of the programs that
gives confidence and opportunity to the small business sector to contribute in the way in
which they can and they should and they must. I am very pleased to announce and support
this government's initiative.

Could I just touch on the scare campaign that we heard from the other side of the table, the
absolute scare campaign about the tourism budget. I do not accept any of the assertions. The
shadow minister opposite went through a whole series of falsehoods. The tourism sector has
overwhelmingly accepted this. We are as a government backing our strengths by putting
tourism—

Mr Albanese interjecting—

Mr ROBB: Do we need to be interrupted in the way in which we are, Madam Deputy
Speaker? Do we need it?

Mr Albanese: Cadbury's

Mr ROBB: I'll get to Cadbury's—ask me again. Cadbury was announced. It was a very
strong tourism proposal. It is being worked through with Austrade—

Mr Albanese interjecting—

Mr ROBB: Do you want to listen? Are you going to listen to the answer or do you just
want to continue with a scare campaign and falsehoods?

Mr Albanese interjecting—

The DEPUTY SPEAKER: The minister has the call and will be heard in silence!

Mr ROBB: Do you want to keep running down the tourism sector, as you have
continually since you have taken office as shadow minister the tourism.

Mr Albanese interjecting—

The DEPUTY SPEAKER: Order!

Mr ROBB: I will tell you what we are not going to do: we are not going to let the carbon
tax increase the industry's costs by another $115 million. If you were serious about supporting
the tourism sector you would support the scrapping of the carbon tax. It cost the tourism
sector $115 million last year. Where are you? You are just full of scare campaigns, full of
false assertions. We in this budget have massively supported the tourism sector. We are very
proud of what we have done in this budget.

The DEPUTY SPEAKER: I give the call to the member for Fremantle—and I hope her
colleagues will listened to her in silence.

Mr Tony Smith: Point of order, Madam Deputy Speaker. You have asked for
interjections to cease. Despite you asking for interjections to cease from—he is not the
Manager of Opposition Business, he just acts like he is—the member for Grayndler, he
continued to interject right through the minister's answer. If he thinks there is a special rule
for him, that is fine, but I would ask you to enforce the standing orders. Otherwise, if the rule
is your rulings on interjections are to be ignored, this side of the House will reciprocate when
they are asking questions and making speeches. I prefer not to. I would prefer that your
rulings were upheld.
The DEPUTY SPEAKER: Thank you, Member for Casey. I do say to the member for Grayndler and everybody: listen and be courteous to the person on their feet. At the moment it is the member for Fremantle. I hope that everyone will listen to her in silence.

Ms PARKE (Fremantle) (13:17): Deputy Speaker, can I ask that the time be put back to five minutes?

The DEPUTY SPEAKER: No.

Mr Tony Smith: No, blame him!

Ms PARKE: The ODA budget within the DFAT allocation includes some very significant shifts in both funding and emphasis. Under the previous government reform occurred to substantially improve both the quality and quantum of Australia's international development assistance. Aid effectiveness depends on both these aspects. It depends on the benefits delivered and the outcomes achieved on a per dollar basis, and it depends on how many dollars are applied. No amount of rhetoric can change that.

In terms of delivery effectiveness—that is, the quality of our aid program dollar for dollar—Australia has been an international benchmark. Last year the independent OECD peer review praised the efficiency, transparency and effectiveness of Australia's aid program. This government has decided to reduce Australia's foreign aid and alter its priorities so there is less importance placed on saving lives and reducing poverty.

Ms Julie Bishop interjecting—

Ms PARKE: There is no basis for the claim that the government will make Australian aid more effective. Indeed, on the basis that our ODA allocation has been reduced by 12 per cent on this year alone and that every cent of planned growth has been cut, there is no doubt that the effectiveness of Australian aid will be decreased. Can the minister point to any evidence that cutting aid will provide more effective aid? Can the minister point to any analysis that called for the cuts they are making? The reality is that, with this government's approach, fewer lives will be saved and less will be achieved in terms of improving the health and welfare of those experiencing extreme disadvantage, and that will be the case both in our region and elsewhere.

The government has made much of the shift to an even greater focus on our region—from 86 per cent of all aid assistance to 91 per cent now delivered in the Asia-Pacific. But the reality is that 91 per cent of a severely reduced allocation is substantially less in most cases than what was to be delivered in 2013-14 and beyond. One of the trickiest lines in the government's budget document states that:

Most countries within the Indo-Pacific have received an increase on 2013-14 funding levels. That is only true because almost every country was first made to suffer a heavy cut in 2013-14. Minister, how many countries in our region will have an increase in support from the allocations in the 2013-14 budget?

Let us consider a few examples in terms of total ODA assistance by partner countries. For the Solomon Islands the 2013-14 budget allocation was $188 million. As a result of the government's cuts the support in this year will only be $168 million, a reduction of $20 million or 13 per cent. Essentially one in every eight dollars is being withdrawn.
I had the privilege of visiting the Solomon Islands last year to mark the 10th anniversary of RAMSI and I saw the direct benefit provided by Australia's aid in health services, water sanitation, local agricultural capacity building and education and training. With one in eight dollars now being withdrawn which of these program areas will be affected?

If we look at our assistance to Timor-Leste, which I also visited as Minister for International Development, the 2013-14 budget allocation was $126 million. It has been cut to $112 million, an 11 per cent reduction. And in 2014-15 it will drop a further 13 per cent to $97 million. Timor-Leste is a country with some very serious development challenges. It is the poorest country in our region, it has the equal-highest rate of child malnutrition in the world and it is hard to understand how anyone can justify a country assistance allocation in 2014-15 that will be 23 per cent lower than what was allocated in 2013-14. Can the minister outline which health, education or child nutrition outcomes will be affected by the cut of one in every five dollars of assistance to Timor-Leste?

Nobody should be under the misapprehension that this government is intending to provide more aid to our region. The aggregate support for our Pacific partners in 2013-14 has been cut by $64 million, or six per cent. The aggregate support for our—

Ms GAMBARO (Brisbane) (13:21): My question is to the Minister for Foreign Affairs. Could the minister update us as to what has been happening with the Australia Network? Also, I refer the Minister for Foreign Affairs to the strategic direction statement in the Foreign Affairs and Trade portfolio, where it says:

Gender equality and women's empowerment will be a key priority across the aid program. Australia will continue to take a lead role on gender equality and women's empowerment in our aid program and advocacy, including through the Ambassador for Women and Girls.

This follows the minister's earlier remarks that she would place the issues facing women and girls at the heart of Australia's foreign policy. As the minister knows, I have been a very strong advocate for UN Women for some time now. Can the minister please provide advice on the steps the Australian government has taken to improve the conditions facing women and girls? And, specifically, can the minister detail what the government is doing to end sexual violence?

In a speech that I gave for International Women's Day last year I highlighted the level of physical and sexual violence in the Pacific. In 2008, 67 per cent of women in PNG reported having been beaten by their husbands, with 50 per cent of married women having experienced marital rape. In 2009 in the Solomon Islands, 64 per cent of women experienced physical or sexual violence from a partner. Anecdotal evidence from aid workers on the ground suggests that the true figure could be even higher. I know from the minister's time as Minister for Women's Issues under the Howard government and then as shadow minister for foreign affairs and trade that she is deeply concerned about physical and sexual violence confronting women.

Can I also ask the minister what the Australian government is doing to address the barriers that prevent women from participating in the formal economy? I am particularly interested to know what support the government has been giving to improve education and health outcomes for women and girls. I know that the minister's strong personal commitment is to provide scholarships for students in developing countries, as was highlighted in her
Tuesday, 17 June 2014

I am also keen to focus our aid scholarships on opportunities for young women and girls, an investment that can pay extraordinary dividends. An educated girl is a girl who has the tools to change not only her community but to change the world. Education and its long-term social and economic benefits will be an important part of our aid and soft-power diplomacy efforts and scholarships will be a signature policy.

Removing the barriers that prevent women's economic empowerment will promote sustainable economic growth in developing countries. It has been said that women in developing countries perform 66 per cent of the work, produce 50 per cent of the food, earn only 10 per cent of the income and own one per cent of the land. Can the minister outline the importance of women's economic empowerment to the Australian government, particularly the focus on economic development and their role in poverty reduction generally?

The DEPUTY SPEAKER (Mrs Griggs): Minister, I am going to give the call to the member for Kingsford Smith because, even though we have heard from two members and it would be appropriate for the minister to speak, we are going to go for another five minutes.

Ms Julie Bishop: Madam Deputy Speaker, I am sorry, I do not understand. Because the member for Fremantle had a question, as opposed to answering it I allowed the member for Brisbane to ask a question so I could then wrap up. I understand that this is going to finish at 1.30 pm. I was going to answer both of those questions.

The DEPUTY SPEAKER: I have some advice from the clerk—

An honourable member interjecting—

Ms Julie Bishop: Are we finishing at 1.30 pm?

The DEPUTY SPEAKER: We are going to—

Ms Julie Bishop: I am afraid I cannot. I am committed to another meeting outside this place.

An honourable member: He'll be quick.

Ms Julie Bishop: Will he? Will he take less than—

Mr Thistlethwaite: I'll be quick.

Ms Julie Bishop: All right.

The DEPUTY SPEAKER: If the member for Kingsford Smith will be quick.

Mr THISTLETHWAITE (Kingsford Smith) (13:26): Thank you, Madam Deputy Speaker. I agree with the points made by the member for Brisbane. That is why Labor in government committed to spending more on combating domestic violence and women's programs, particularly in the Pacific, through Pacific Women Shaping Pacific Development. The whole problem with the cuts to overseas development aid that have been undertaken by this budget is that we do not know which programs are going to be cut. At this point in time the government will not release the details of where the cuts will come from. Importantly, the Australians who are delivering these programs throughout the world, particularly through the diplomatic footprint that Australia has, are facing job losses. Some $400 million will be cut from DFAT's budget over the course of this budget and 500 jobs will go from DFAT. One in eight staff in the Department of Foreign Affairs and Trade will lose their position. How is that
consistent with improving the role in diplomacy that Australia plays, particularly in the Pacific, relating to women's programs? This is one of the most important roles that the government has in foreign affairs. The role of the departmental officers in DFAT, protecting Australians overseas, can never be underestimated. We are seeing at the moment the great work that departmental officers are doing with respect to the conflict that is going on in Iraq and the great work that Australian officers are doing in protecting the interests of Australians who are facing difficult circumstances in Iraq.

Where was the minister? Did the minister object to this funding being removed from her portfolio and the 500 jobs being cut from DFAT? The minister said earlier in an interview with the AAP that she saw her role as changing the erosion that had occurred and vowing to fight for more funding for Australia's cash strapped foreign services. She said she would be drawing up plans to expand the nation's diplomatic footprint. The minister said in December last year:

It's time for DFAT to reassert its position as the primary source of advice on foreign policy. How can that occur when 500 jobs are being cut from the department? These are hollow words from a minister who has not fought for her department and has not stood up for the rights of her troops. All of this is in the context of the government spending $113,130 on three websites for three ministers. All that money was spent on three websites for three ministers. This was disclosed in estimates.

Ms Julie Bishop: Madam Deputy Speaker, I rise on a point of order. I will not have my name slandered in that way. That $113,000 related to 100 websites around the world. It was a decision taken by the previous Labor government in 2012, so do not stand in this place and cast aspersions on me. You said you were going to take so little time that I could finish by 1.30 pm. I said that I had to leave by 1.30 and now you have taken up all the time.

So you did not ask a question and you made a false statement in this parliament. I will not stand here and have you say that my website cost $113,000, when Labor took a decision in 2012 to upgrade 100 websites around the world.

Mr Thistlethwaite: I will now finish my contribution, and if the minister had not interrupted me she would have had the opportunity to respond to some of the points that I make. But I do wish to finish my contribution by saying that the changes in DFAT's budget, the staff cuts that are being undertaken, have affected morale. We know that. There was a leaked survey from the Department of Foreign Affairs and Trade which indicates that only 33 per cent of the former AusAID staff feel part of the team compared to 70 per cent of their colleagues who have always been at DFAT. The great shame about this is that with $7.6 billion cut from this budget in overseas development aid and the $400 million cut from the departmental budget: did the minister object in cabinet and the ERC to these changes?

Mr Robb (Goldstein—Minister for Trade and Investment) (13:31): This session has been a total sham. Those opposite came into this place this afternoon to make a joke and a mockery of this session. I came prepared to answer as best I could any legitimate questions that were put to me—

An opposition member interjecting—

Mr Robb: Now, they have done nothing but interject and trash this session! This is a disgrace! And I resent the fact that we have seen the abuse of this chamber.
Mr Albanese: Madam Deputy Speaker, I rise on a point of order. The minister is just on a rant at the moment—

Mr ROBB: This is no point of order—

The DEPUTY SPEAKER (Mrs Griggs): Can you just get to the point of order?

Mr Albanese: It is not relevant to the question. And if—

Mr ROBB: He is trashing this session—

The DEPUTY SPEAKER: What is your point of order?

Mr Albanese: The point of order is—

Mr ROBB: You have trashed this session for 45 minutes, that's what you've done—for 45 minutes!

The DEPUTY SPEAKER: Minister, I cannot hear the point of order.

Mr Ewen Jones: People are sitting here trying to ask a question.

The DEPUTY SPEAKER: The member for Herbert! Please, member for Grayndler?

Mr Albanese: The point of order is that a question was raised by the parliamentary secretary to the Minister for Foreign Affairs. There was also one asked by the member for Brisbane and the member for Perth. And the Minister for Foreign Affairs should—

The DEPUTY SPEAKER: There is no point of order; please resume your seat. The minister has the call.

Mr Albanese: The minister would like—

The DEPUTY SPEAKER: The member for Grayndler will sit down. The minister has the call.

Mr ROBB: Thank you, Madam Deputy Speaker. This is another example of a deliberate attempt to make a mockery of this place—

Mr Albanese: He's having a rant—

The DEPUTY SPEAKER: The minister will be heard in silence!

Mr ROBB: This is why we have had to do what we have done in the budget. This is the attitude they have taken for six years to the running of this country. They just see this as a game! It is a political game, not an exercise in ensuring good policy for the betterment of the Australian community.

In an attempt to answer the questions in the minute or two left: one of our priorities in our responsible, affordable, sustainable aid budget—sustainable aid budget—is the empowerment of women and girls in both an economic sense, in a leadership sense and in being against violence against women. We are strongly committed to increasing women's participation and leadership in our region.

The recent UN Women report found:

Limits on women's participation in the workforce across the Asia-Pacific region cost the economy an estimated US$89 billion every year.

These barriers include a lack of access to basic education and health facilities.
Natasha Stott-Despoja's appointment as ambassador highlights the importance the government places on the position. Natasha is the ideal candidate, a former senator and head of a national foundation to prevent violence against women and children. Since her appointment, Ambassador Stott-Despoja has undertaken six international visits to advocate women's leadership, women's economic empowerment and empowerment against violence against women, including travelling to the Pacific shortly after her appointment. It included a visit to the United States to attend a UN Commission on the Status of Women. She recently represented Australia at the Global Summit to End Sexual Violence in Conflict in the United Kingdom. This event was the largest ever global event aimed at stopping sexual violence in conflict.

As an official champion of this initiative, the foreign minister worked closely with the UK Foreign Secretary, William Hague, to prevent and to respond to sexual violence. To this end, the Australian government recently announced funding for programs in Afghanistan, Timor-Leste, Liberia and Uganda. The foreign minister also announced Australia's support for a case management centre in Papua New Guinea, a one-stop service and referral centre for survivors of family and sexual violence.

We place a very high priority on this issue, and notwithstanding the situation that we have been put into, to live within our means as a government so that we can have sustainable growth in the future which gives us the wherewithal to deliver effectively on this program and many others—despite that—we have elevated this issue to a level that it has never been at, and we will be effective in dealing with these problems. I am sorry that other members who asked questions have left the room.

Proposed expenditure agreed to.

Sitting suspended from 13:36 to 16:00

Employment Portfolio

Mr BRENDAN O'CONNOR (Gorton) (16:01): I rise to ask the Minister for Education, the Minister representing the Minister for Employment, what the impact will be on the clothing industry as a result of the proposed cut to Ethical Clothing Australia. ECA exists to ensure that the rights of home workers are protected and that they are receiving award rates and entitlements. ECA is a joint employer-union initiative that has been established to promote ethical working conditions throughout the supply chain and to protect the rights of both Australian factory workers and home workers, who are also known as outworkers. Outworkers are particularly vulnerable and isolated, as their work is often unregulated and hidden. They face unrealistic deadlines, long working hours, irregular flows of work, and significant occupational health and safety issues.

The fact that the cessation of this funding has come on top of the government revoking the Fair Work Principles that require businesses tendering for government contracts to comply with the Fair Work Act the opposition believe will not only damage the conditions of employment and the health and safety standards of workers in this sector but impact on the very successful companies that work in this sector. Indeed, the TCF industry has a requirement that TCF manufacturers be accredited with the ECA when tendering for
contracts. So that is an important protection for the industry to maintain standards and a very important protection for workers.

The government has cut funding in the budget to the TCF Structural Adjustment Program that provides intensive assistance to TCF workers made redundant in the TCF industry, so that compounds the problems around removing funding for the ECA. Iconic Australian clothing brands RM Williams and Cue will be hit by the government's cuts to this area of our labour market. I have had conversations with some companies that have raised concerns with the opposition about the adverse impact that this funding cut will have.

Akubra, Cue, Hard Yakka and RM Williams—iconic Australian names—believe in and support Ethical Clothing Australia, and so does Labor. We say so too should the Abbott government. Given that industry supports the ECA, why is the government ceasing funding to the ECA? What consultation, if any, occurred with the ECA prior to the budget announcement? Did the department consult with the industry department about the cut to the TCF Structural Adjustment Fund? Is the government aware of the impact the cut to ECA will have upon the industry? Won't funding cuts make it harder for ethical companies to survive and compete against those who do not meet such standards? I might just stop there and provide the opportunity for the minister to respond to those questions.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (16:05): The Ethical Clothing Australia cessation of funding issue would be well known to the shadow minister, as during the previous government he would be aware that they established the Fair Work Principles and that we abolished those as part of repeal day. With the repeal of the Fair Work Principles, Ethical Clothing Australia also ended being funded, which will save about $1 million, and had so far been about a $7-million program.

The purpose of Ethical Clothing Australia was to act really as a de facto regulator. It was a combination of the union movement and business, but really was doing the job of the union—paying the union to do the job it was already supposed to do. If the purpose of unions is to protect workers, and one would hope that it is; if the purpose of unions is to make sure that workers are given fair salaries, emoluments and conditions, and I would expect that that is the Textile, Clothing and Footwear Union's role, then Ethical Clothing Australia was really a subsidy to the union to do the job that it should already have been doing.

It is the government's view that a belt-and-braces approach to this was not necessary. Everyone needs to contribute to the savings that are necessary to bring the budget back into the black over time. The government inherited a $667-billion debt—it was rising to that figure if no action was taken. We inherited $123 billion of accumulated deficits and deficits as far as the eye can see. So programs that did the job that the union was already supposed to be doing—namely, protecting workers in the textiles, clothing and footwear sector—were deemed to be the kind of program you might have when you are running a surplus budget, as we did in the Howard government, running a $22-billion surplus in our final year in office. But when you are borrowing money from overseas to fund programs that are effectively a subsidy to the union, that is not a fair use of taxpayers' funds and for that reason we have not continued funding for it.

Obviously the existing legal protections for workers in the industry will remain as part of the Fair Work Act and all the applicable awards, and the Fair Work Ombudsman will
continue to be a place where workers can bring their concerns about their treatment, whether it is by the employer, by fellow workers or even the unions.

Mr BRENDAN O'CONNOR (Gorton) (16:07): I thank the minister for his answer to the series of questions I have already put to him. I would like to ask whether in fact the government contemplated whether there would be, as a result of this cut to expenditure in this sector—a very modest level of expenditure when you think about it, $1 million from a sector that employs tens of thousands of Australians: won't this cut lead to a reduction? I guess I am asking the government whether there has been any contemplation that this removal of a measure—by the way, a measure that has been embraced not just by unions but, as I said, by companies that I referred to earlier—will lead to a reduction in ethical production of clothing. This is a sector of our economy that is trade exposed. Indeed, there are bottom feeders in the sector that break the law and those reputable companies, along with unions that might represent workers, want to ensure that that conduct does not continue. ECA plays a role in that regard. I put to the minister that there are concerns, therefore, that ethical production will reduce and as a result business will be lost in this country. I wonder whether in fact the government has in any way assessed or modelled the consequences of reducing what is in the end quite a modest amount of Commonwealth expenditure?

Mr PYNE (Sturt—Leader of the House and Minister for Education) (16:09): The advice that I have received from the department is that the amount of money that the government is saving on behalf of the taxpayer has been replaced by a private provider and supporter of Ethical Clothing Australia, which suggests that money had always been available for anyone in the industry who wants to ensure that the sourcing of clothing, footwear and textiles etcetera is from an ethical corporation. And therefore the money that the taxpayers have already expended—the $7 million—could probably have been better spent, given that the private sector has already agreed to replace that funding in order to ensure that there is an accreditation process in place.

The government do not believe that we can continue to use taxpayers' money to subsidise the union. I know that, when the Labor Party were in office, they did much of this support for the union, because they are obviously inextricably linked to the union movement. While I do not want to be critical of the member, he of course is a union boss himself from past times, as is his brother as well, and I can understand that Labor does like to use taxpayers' money to support the unions. But it is the unions' job to look after workers. For that, they collect subsidies and licences from their members and from businesses that want to be involved in their various programs, and they are the correct sources of funding for a program such as this—not the Australian taxpayer.

Mr BRENDAN O'CONNOR (Gorton) (16:10): I think it is important that I respond by firstly saying that the money is provided to an organisation that is supported by employers and unions. It is an industry body that not only protects the workers but also, as I said earlier, protects reputable companies that are under pressure, as they are trade exposed. They are also under pressure from those rogue bottom-feeders that quite often undercut the standards, breach health and safety laws and do not pay lawful minimum rates of pay. So, when I met with this industry, I did not meet with the union alone; I met with reputable companies and the union to talk about these measures. I think it would be remiss of the government, and
indeed the minister, not to understand that this is a measure that has been supported in the past by employers and employee organisations and indeed will be supported in future, no doubt.

I turn to the Fair Entitlements Guarantee cut. The government is cutting the Fair Entitlements Guarantee. This, of course, was a recommendation from big business—the Business Council of Australia or the Commission of Audit, whichever you prefer. Since the government announced they would gut the FEG, we have had some MPs—including the member for Braddon and, more interestingly, the minister himself—backing the current Labor scheme. This continues the trend of government members saying one thing in their electorates and completely the opposite thing in Canberra. The government-proposed changes to the FEG would see a maximum penalty for redundancy pay under the scheme set at 16 weeks, and indexation of a maximum weekly wage used in calculating entitlements.

On the face of it, the changes to the FEG do not look drastic. However, like everything with this budget, there is a sinister, callous, unfair, hidden catch. The government has sought to hide how the change to the FEG intersects with cuts to the Automotive Transformation Scheme. If you combine the capping of the maximum benefit from a maximum of four weeks per year of service to a maximum of 16 weeks and the cuts to the Automotive Transformation Scheme, along with the government's dismantlement of the automotive sector in Australia, it spells—we would contend—disaster for workers, particularly in the automotive industry.

There are workers who have been in the automotive manufacturing and supply chain for many, many years. Under the current scheme, they would be entitled to the FEG based on their years of service—for example, 20. Under the government's scheme they will be entitled to 16 weeks maximum, irrespective of their service. We would contend that the government has overseen the death of the automotive manufacturing sector, which has dire consequences for the rest of the supply chain. And now, when workers will most need the assistance that the FEG offers, the government is seeking to rip that away. Everything that this government does, I would contend, has been to attack working conditions and workers. We therefore ask the minister—whichever minister at the table feels it is appropriate for them to answer—about this matter. This is going to have a very significant impact on thousands of workers who are soon to lose their jobs pursuant to the announcements that have been made by companies like Holden and Toyota and pursuant to subsequent cuts that will arise from decisions by other companies—and of course the consequential impacts to the automotive parts sector will lead to further redundancies.

I would ask the minister why this decision was made. What consultation was there with the companies, their workforce and indeed unions—if there was any consultation—about the adverse impact of these measures? What explanation is the government providing to those workers who are to lose their jobs and now to lose a very significant level of support by cutting the threshold, or ceiling, to a maximum of 16 weeks?

Mr PYNE (Sturt—Leader of the House and Minister for Education) (16:15): The background to the FEG scheme, as most members would remember, is the GEER Scheme. Following the collapse of Ansett, the Howard government in 2001 initiated the GEER Scheme, the General Employee Entitlements and Redundancy Scheme, to ensure that workers were not placed in the position where, because of the collapse of a corporation, whether or not it was a major corporation, they lost their entitlements accumulated over many years. We will not go into the reasons why Ansett collapsed. Many people would blame the union movement
for the featherbedding and the arrangements that they managed to eke out of the executives at Ansett over a very long time, making the airline utterly uneconomic. But rather than returning to that debate, which is now 15 years old, I would point out to the House that the GEER Scheme was the antecedent to the FEG scheme which Labor changed when they came into office.

The 16-week maximum is the community standard that exists now and existed in 2001. It was the accepted standard throughout the period of the Howard government and then through five years of the Labor government. So for five years of the Labor government they thought 16 weeks was perfectly adequate and they kept the FEG scheme, as they renamed it, at a 16-week maximum.

When Mr Shorten, now the Leader of the Opposition, was the Minister for Employment and Workplace Relations he decided to get rid of the 16-week cap. That obviously led to a massive cost blowout for the Australian taxpayer. Yet again we see that the shadow minister was living a champagne lifestyle on a beer income. Obviously when you are running surplus budgets you are able to fund a champagne lifestyle on a champagne income, but you cannot keep borrowing money from overseas to pass it back to your union friends, as Mr Shorten did by removing that cap. It is coincidental, many would say, that the Leader of the Opposition was also a former union boss in the Australian Workers Union. Some would say that, in the dying days of the Rudd-Gillard-Rudd governments, many of the union's demands to the government of the time were met with the Greens allies in the Senate passing almost every proposal that the Labor Party put up to try and entrench union power. One of the things they did was to get rid of the 16-week cap on the GEER Scheme, which became the FEG scheme, and this government is returning the 16-week cap, which is the community standard. It will save $87.7 million over four years, and I think taxpayers will think that is a very fair use of their money.

Certainly we all want to protect workers who lose their entitlements. They should be protected on what is the community standard. We should not be using government, as the previous government did, to support their union base in order to win votes in a leadership ballot. Therefore, I cannot imagine that the shadow minister's criticisms, while I am sure are probably good-natured, are genuine.

Mr BRENDAN O'CONNOR (Gorton) (16:19): Of course they are genuine because the impacts will be real on the workers and their families. The Commission of Audit, of course, recommended that the FEG be cut. Why did the government choose to listen to the BCA, that effectively conducted the Commission of Audit, on this matter? What other advice will they heed in relation to the Commission of Audit? Will that include supporting the recommendation of the Commission of Audit to cut the minimum wage?

Mr PYNE (Sturt—Leader of the House and Minister for Education) (16:20): I see that the shadow minister has now degenerated into attacking the government over the National Commission of Audit, accusing it of being run by the BCA. I am disappointed, because obviously I have tried to conduct this debate in a perfectly civil way.

The shadow minister knows that the consideration in detail of the budget is not a time for government announcements about policy. It is a time to ask questions about the budget. The government's response to the National Commission of Audit has already been published. Obviously, it is contained in the budget. The National Commission of Audit made a very wide
range of recommendations to government, some of which were adopted in total, some of which were not adopted and some of which were adjusted and adopted in part. The National Commission of Audit did an excellent job in advising the government on how to try to repair the mess that the Labor Party left the budget in after six years.

Over time, we might well have cause to return to the National Commission of Audit's report for assistance and guidance, but I will not be making announcements today about any further adoption of recommendations of the National Commission of Audit. The recommendations that have been adopted are clear from the budget.

Mr BRENDAN O'CONNOR (Gorton) (16:21): I wanted to finish on this matter with respect to the cuts to the Fair Entitlements Guarantee. I want to make clear that I too have my own perception of the history of entitlements. Indeed, Labor has a very clear understanding of how the entitlement scheme commenced under the Howard government. It may have commenced formally after the Ansett collapse. But of course, the first decision by the Howard government to provide entitlements to retrenched workers was when the Prime Minister intervened and provided some entitlements to National Textiles, a company of which the Prime Minister's brother, Stan Howard, was a director. We used to call it the 'Stan Alone' policy because only one company seemed to receive it.

Mr Pyne interjecting—

Mr BRENDAN O'CONNOR: It seems to me the minister likes to talk about conflict of interest and the motivations of members of the opposition. I am just making it very clear that we do recall the Prime Minister at the time, Prime Minister Howard, making a decision that impacted and benefited only one company, a company of which his brother was director.

Leaving that aside, what I am asking the minister to do with respect to this cut is to provide the parliament with information about the extent to which this cut will impact on workers who are to be retrenched over the next number of years. Has the minister been advised by the Department of Employment of the extent to which this will impact? How many people will lose income as a result of reducing their retrenchment benefits—how many will be impacted? How much, on average, would each retrenched worker lose as a result of the cuts to this measure? And what explanation will the government provide the companies and the workers? Other than just attacking the opposition, I have not really had an answer to those questions. What is it that these workers have done wrong to lose the support of the government in their time of need?

It is clear that the government has chosen to goad companies like Holden to leave our shores. I think that was a very, very dangerous and stupid thing to do. Now we are left with workers who are going to be unemployed for a period of time. Let us hope they find work quickly. But in the meantime, they had an expectation that, pursuant to the current arrangements, there would have been some support. That has been torn away. Yet we have not heard how the people will miss out, how much money has been taken per capita, and what it will mean for those workers.

The minister has not answered those questions. He wants to play politics with this. This is about the workforce, not the Labor Party and not the government; it is about the workforce that will be retrenched and the fact that they will lose this entitlement because of the decision by the government to cut this measure in the budget.
Mr PYNE (Sturt—Leader of the House and Minister for Education) (16:24): Obviously, the people playing politics with this issue are the shadow minister and the Labor Party, who are delving back into the mid-1990s to attack the current government in 2014. But to answer his questions: he also raised, of course, the issue of the car industry and the manufacturing sector. Well, I did not hear him saying that somehow the Labor government was to blame for the closure of Mitsubishi or the closure of Ford and that the policies that Labor tried to support at that time, of massive government subsidies to the car industry, did not save Ford and they did not save Mitsubishi.

As I come from a great state with a large car industry, as does the shadow minister, I think we are both well aware that the announcement by Holden from Detroit was that no amount of money at all would have kept them in Australia, that it was simply uneconomical and uncompetitive for them to be able to build motor vehicles here. Trying to frighten the workers of Holden or Toyota through rhetoric today when, in fact, his own government did not save Mitsubishi and Ford has rather a hollow ring to it.

To answer his questions specifically: I am advised that reducing the redundancy cap to 16 weeks will affect 858 claimants each year. And because I am a generous man, and in spite of it not being estimates, I am also prepared to tell him that pausing the indexation of the maximum weekly wage will affect around 588 claimants each year. I assume that he has now run out of material, but if he has not I am prepared to keep answering questions.

Oh, he has run out of questions!

Mr Brendan O'Connor: I said we were coming to the end of them!

Ms COLLINS (Franklin) (16:26): I have some questions, probably for the assistant minister. On budget night, of course, we heard about the government's new measure for those young people under the age of 30 who would be on Newstart; who are in stream 1 and stream 2 and who would be without a Newstart payment for six months. I think the government is calling it 'a non-payment period' of Newstart for six months for those job seekers under 30 who are in those streams. We also heard in estimates that it is possible that penalties will apply to people during these six months and that there will be an activity test. I am particularly keen for the minister to outline to us what evaluation has been done and whether or not this will lead to better job outcomes? I would like the minister to confirm whether or not that six months could actually be up to several months longer, because penalties could be applied? And what would be the total amount of time that somebody might be without Newstart payment and would activities apply for that whole period of time that they are without payment?

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (16:27): Certainly, the government is absolutely focused on ensuring that young people have the very best prospects of getting into work. We firmly believe that young people should either be earning or learning, or if they are not doing either of those things they should be involved in some form of mutual obligation. We believe that we need to encourage young people at every opportunity to get and keep a job.

The measures that we outlined are focused on getting young people into a job and focused on them doing everything within their power and leaving no stone unturned in the pursuit of that job. Now, if a young person is without work they have the option to be engaged in an
appropriate training program. That can enhance their employment prospects. We believe that is a very important thing, that young people have the skills to get into work.

We also believe, though, that if after a period they are unable to find a job—a period of six months—they should be involved in a form of mutual obligation, and work for the dole is the appropriate measure. The measures that the government announced are mindful of the fact that many job seekers face different circumstances. The measures that were announced apply only to those most job-ready job seekers and consideration is given to people in positions, such as principal carer for parents, people with a partial work capacity—those more disadvantaged job seekers as you would know as formerly being in this sector—streams 3 and 4, DES clients and part-time apprentices. So this has been thought through very carefully to encourage those most job-ready job seekers to get into work as quickly as possible.

The measures that were announced on budget night are part of a range of measures which the government has announced or put in place. We recently implemented our Job Commitment Bonus, encouraging young people to get and keep a job. That is a very good program because it gives young people a bonus of some $2½ thousand if they get off welfare, get into a job and stay in a job for a period of 12 months. If they stay off welfare for a further period of 12 months, there is a further bonus of $4,000 payable. That is potentially $6½ thousand to encourage young people into work.

We also have our Relocation Assistance Program to assist young people to go to where the jobs are. That is very important. We understand the fact that many people, if they have been on benefits, can be struggling financially and the cost of moving to a new location to take up a job could be prohibitive. We have an enhanced Relocation Assistance Program to encourage young people to move to where the jobs are.

Then we have the Tasmanian Jobs Program to encourage employers in Tasmania—the state with the highest unemployment level of any state in Australia—to put on an additional employee. Hopefully that employee would be a young person. And then we have Work for the Dole—a very important program which can give young people the skills they need, the very basic skills that so many employers are telling me are lacking in the job seekers who present at the gates of their business. We have a range of measures that are aimed at assisting young people into work.

We believe that the best form of welfare is a job. We believe that the very best thing we can do is to prevent young people from drifting out of school into the despair of long periods of welfare. That is why we are absolutely focused on these types of programs. The very best thing we can do to create opportunities for young job seekers is to grow a strong economy. That is why we handed down a budget just recently in the House that set Australia up for the future and invested in the future rather than pursue the path of members opposite, which was to spend for today. Yet the members opposite are standing in the way of a budget that can create the sort of economic growth and job opportunities that young people need.

We are coming up to 30 June and a new Senate will come into play on 1 July, but we would dearly love members opposite to get behind the government right here, right now, and pass the repeal of the carbon tax and pass the repeal of the mining tax so that we can remove those job destroying taxes and, in doing so, create more opportunities for young people. Government programs have a role to play—they certainly have their place—but nothing can create jobs and nothing can create opportunities more effectively than a strong economy.
Ms COLLINS (Franklin) (16:32): The minister did not actually answer my question. I asked: have you done an evaluation about whether or not these programs will work and whether your measures will work for people under the age of 30? You are talking about people who would be under the age of 30. Some of them already have an education and some of them may already have completed an apprenticeship, but the factory might have closed down, their employer might have made people redundant and, through no fault of their own, they are out of work. They may already have skills and a degree, and you are saying to them that, if they cannot find a job within six months, they have to do Work for the Dole. You are also saying to them that, on the six months with no payment, they will have activity tests. Can the minister also tell me, as I asked in my original question, whether the activity tests are required during the period when they will be without payment? How on earth does the government expect job seekers with no money to complete activity tests and apply for up to 40 jobs per month?

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (16:34): I can say: absolutely, the activity test will apply. Those job seekers during that period will be in receipt of support from the government to find a job. It is not going to do anyone any good—

Ms Collins interjecting—

Mr HARTSUYKER: You asked the question. Please allow me the courtesy of responding. It is not in anyone's best interest to allow a young person to sit at home without trying to get work. What we are involved in is assisting young people into work. That is why, on coming to the portfolio, I embarked on a review of the Job Services Australia system. What job seekers were telling me was that the job services system was not meeting their needs. What employers were telling me was that the job services system was not meeting their needs. What the job service providers were telling me was that they were so bound up in red tape that they were being diverted from their main task, which is getting people into work. They were so busy with Labor's red tape that the system had become a form-filling exercise rather than an exercise in bringing job seekers together with employers. We have already made a range of announcements reducing red tape that has been a burden on job service providers. What we are proposing to have done and the process we propose to continue is to strip away the red tape, make the job services system more effective, allow them to offer better services to job seekers and improve the prospects for employment.

So I say to the shadow minister that, absolutely, job seekers will be required to leave no stone unturned to get a job. That is the purpose. A life of welfare is not something that any young person would aspire to. We are working with them, we are working with job service providers. We want to get them into work.

Mr BRENDAN O'CONNOR (Gorton) (16:36): Can I ask the assistant minister, as it is under his—

Mr Pyne interjecting—

Mr BRENDAN O'CONNOR: I am very courteous to my colleagues. You are rarely courteous to your own, that is obvious, Member for Sturt, Minister for Education.

Can I go back to some of the comments made by the assistant minister with respect to the principle of mutual obligation. The principle of mutual obligation commenced in the early
nineties under Working Nation in the Keating years. It was embraced fully by the Howard government. Mutual obligation—namely, that undertakings are expected of job seekers and in receipt of those undertakings being complied with a modest income would be provided—has been a bipartisan position for more than 20 years: that, in receipt of a modest level of income to provide modest support for people, there would be an expectation to fulfil requirements, including of course, firstly, to look for work, but also to engage in activities that would increase the likelihood of that job seeker finding employment. What the assistant minister has now just said is that, notwithstanding the fact that young people under the age of 30 who are job seekers and are work ready will be expected to fulfil requirements, they will not get any support of a financial nature from this government. That, I would say to this place, is the tearing up of a compact between the Commonwealth and job seekers that has been in existence and has been bipartisan for more than 20 years. The compact is, of course, the principle of mutual obligation. You are provided some modest level of support and in doing so you must fulfil your obligations to look for work.

Labor has always believed that if you receive an income like Newstart to look for work you must look for work. I as the former minister in this area believed if you do not look for work and had no reasonable excuse in not looking for work your income could well be suspended and should be suspended until you re-engage. This minister, however, seems to think it is quite okay for the Commonwealth to abrogate their responsibility to Australian job seekers by providing no support for the first six months and yet require those same job seekers to undertake activities. So I ask the assistant minister two questions in light of that. Firstly, does he believe that the principle of mutual obligation continues, even though for those job seekers under the age of 30, they will receive nothing for six months, even if they look for work every day, every week, every month for six months? The second question I would like to put to him is: given that the Work for the Dole program has only been funded for $14.9 million over two years for Work for the Dole in 18 areas, what are those job seekers, if they survive the first six months and are still unemployed, who are not in those 18 priority areas going to do, given that the government's rhetoric is that if they have done six months without finding work you have to undertake Work for the Dole? I would like to know the answer to that. Firstly, why are you tearing up the principle of mutual obligation?

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (16:39): I certainly say we are not tearing up the principle of mutual obligation—absolutely not—and we certainly think that it is in no-one's interests, as I said earlier, to allow young people to leave school and descend into a life of welfare. What I will say is that within these measures, and they are detailed, if a young person engages in training they will still be eligible for youth allowance, so there is support for those people engaged in training. For those people who have a work history there is a discount offered against the preclusion period, so for those with a work history who have contributed, the period will be less than six months.

With regard to Work for the Dole, it is a very important program. As I said earlier, when I get around I have employers telling me that young people lack the important skills, those basic skills, that they need to get by in the workplace: simple skills such as turning up on time, having the right attitude, working with colleagues—the sorts of skills that we all take for granted if we have been in the workplace for some time. Unfortunately, many young people,
perhaps those who have grown up in a household where there is intergenerational unemployment, lack those basic skills. Work for the Dole offers a great opportunity for young people to achieve those skills.

I recently announced phase 1 of Work for the Dole and we will be making further announcements in due course with regard to the further rollout of Work for the Dole. You are confusing two concepts. What is in the budget relates to phase 1 of Work for the Dole, which is 18 locations around the country with a Work for the Dole program being offered to people between 18 and 30 who will be required to do up to 15 hours a week for a six-month period. It is a very important program that we are rolling out and one that we intend to roll out carefully and methodically.

When I get around it is amazing the positive support that I get for Work for the Dole. You hear very positive remarks from people who have participated in the Work for the Dole program. In fact, I was recently on the Central Coast, north of Sydney, and a participant basically said to me that it gave them a reason to get up in the morning. They said they had had trouble getting up in the morning to attend Work for the Dole for the first couple of weeks of the program, but when they got into the swing of things it gave them a reason to get out of bed.

We have had a recent survey released which showed fairly conclusively that there are significant concerns by employers about the young job seekers that present to their businesses. I will read some of the points. The survey was of 1,151 businesses and it was done by my department. The employers said that making basic adjustments to their attitude and physical presentation is the most effective thing that many young job seekers can do to improve their employment prospects. That is a very important point and I will repeat it: making adjustments to their attitude and physical presentation is the most effective thing that many young job seekers can do to improve their prospects. The survey was quite interesting with regard to a range of attributes: 39 per cent of respondents said that improving attitude would be a very important element; 14 per cent said improving reliability and responsibility; 11 per cent said physical presentation.

These are very basic skills that we take for granted, but they are the sorts of skills that a Work for the Dole placement can give. Not only is the young person learning valuable skills; they are able to contribute to their community, they are able to build self-esteem, they are able to walk away from a program at the end of the six months with a resume or a reference to give to an employer and say, 'This is what I've done, this is what I've achieved, I've had experience in these particular areas'—be it paving or painting or perhaps some construction activity such as building a walkway. They can go to an employer and say, 'I've contributed to my community, I've worked as part of a team, I know what it takes to be in the workplace.' These are the sorts of skills that Work for the Dole can bring. We believe in the program very much, and we believe in the benefits that it can impart to young people.

Dr GILLESPIE (Lyne) (16:44): Unemployment is a curse on any society and, as you know, we have a lot of initiatives in place to try to address this recurring problem. To give some recent statistics from the Coffs-Grafton employment statistics area, I am very pleased to say that the unemployment rate in February this year was 10.4 per cent and by March it had dropped to 7.3 per cent. These figures are in the minister's area. In our area, in the electorate of Lyne, just below Cowper, the unemployment rate should be helped by a jobs drive we
undertook with Job Service providers, when more than 320 jobs were flushed out of the system and are now out there being advertised. Hopefully we will see a similar drop in statistics. My question for Minister Hartsuyker is: what initiatives have we got in the recent budget to help mature-age workers to gain employment?

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (16:46): I thank the member for Lyne for his question. The discussion to this point has largely focused on younger workers, but it is a very important element that, just as we do not want young people to move from school and descend into a life of welfare, we do not want older workers to exit the workforce prematurely. We need their skills and experience in the workforce; they have a great contribution to make. I think that all entities benefit from having a spread of workers in their business, from young people starting out their working career to wise heads who can add the voice of experience—and experience is something that only comes with time.

I am pleased to say that in the budget we announced the Restart Program, which is a very strong commitment to encouraging businesses to employ older workers, because we know that they have a great deal to give. Our more senior workers bring a depth of experience, they bring a depth of skills that can only be achieved with time. The program provides incentives of up to $10,000 to encourage businesses to take on older workers and to retain them in their business, because as our population ages we need to ensure that we engage older workers in the workforce for as long as possible. The Restart Program is a huge commitment by this government in the budget.

But the very best thing we can do to create opportunities for workers, young and old alike, is to grow a strong economy—and that is what the budget attempted to do, that is what the budget plans to do. Unfortunately, I must report that we have the members opposite standing in the way of the very measures that are going to build that strong economy; standing in the way of repaying Labor's debt; standing in the way of getting our budget back in the black. We have the members opposite who feign concern for young job seekers and feign concern for older job seekers, but they continue to stand in the way. As I said earlier, the challenge coming up for these members is to pass the repeal of the carbon tax and to pass the repeal of the mining tax. Nothing can grow jobs faster and better than a strong economy. Programs such as Restart and our programs for younger people—yes, they have their place, but there is no substitute for a strong economy.

Mr VAN MANEN (Forde) (16:48): I would like to thank the minister for the opportunity to expand on the Work for the Dole program that has been announced for the region of Logan. As a member of the Logan City of Choice executive team, where we spend a lot of time working together as a community to try to find solutions to some of the problems in Logan, I see this Work for the Dole program as a tremendous investment. I also see it as giving tremendous assistance towards achieving some of the things we are looking to do to re-engage the youth in our community into the workforce, as some of them have been disconnected for significant periods of time. I would like to ask the minister to expand on his previous answer about how this budget by this government will reinvigorate the Work for the Dole scheme for young job seekers.

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (16:49): I thank the member for Forde for his question. He is highly financially
literate and has spent a career in the finance area; he knows the importance of a strong economy and the fact that nothing creates job opportunities better than a strong economy. As we have been discussing, specific programs have their place and Work for the Dole has an important role.

When I announced phase 1 recently it was an important move away from Labor's past of running down Work for the Dole. It was a highly effective program in the Howard years, and Labor has allowed the program to run down. We are reinvigorating Work for the Dole. I announced phase 1 in 18 locations around the country. It would be available to young long-term unemployed people, aged between 18 and 30, for about 15 hours a week, for a period of six months.

The purpose of Work for the Dole is to allow people to contribute to their community and to learn new skills. There will be a number of placements: the traditional team-based placement, which I think most members of the public would be familiar with, where a team would perhaps be constructing a walkway or a cycle path or perhaps repainting a community hall. We are also seeking hosted placements, where job seekers might be hosted by a not-for-profit organisation. It could be a local council or it could be an aged-care facility—quite clearly not involved in delivering care to residents within that facility—job seekers working in ancillary functions, whether it is maintenance or repairs, whether it is assisting in some other element of the non-caring side, if you like, of the aged-care facility.

As I get around the country, people are very supportive of Work for the Dole. One job services provider said to me that more than half the participants exit the program after obtaining ongoing paid employment. Isn't that a great outcome? The same provider reported that another of their Work for the Dole programs saw 12 individual placements at three employers, with all 12 participants exiting the program for paid employment. So we have a team of 12 all getting a job. That is great news.

I am drawn to comments by Madi Yorke an 18-year-old woman in Gosford. These comments appeared in the Central Coast Express Advocate. She said: ‘We should not be getting money for doing nothing. I have always been taught you have to work to make money and no-one should be looking at living off the government long term. Gaining work experience and knowledge of the workplace will be a good thing, and working just 15 hours a week for the dole will leave plenty of time to job seek.’ I could not agree with Madi more.

You could be picking up vital new skills and becoming more employable, then leaving the program with a reference which would indicate the sort of work that was undertaken and the fact that you have been turning up and being part of a team delivering community outcomes. This is the attitude that the government wishes to support. And it is a very prevalent one. These sorts of comments are repeated time and time again.

The Australian people see the benefit of Work for the Dole. Employers can see the benefit that a Work for the Dole participant can bring to their business, and young people can see the benefits of Work for the Dole.

There are some great new stories associated with Work for the Dole. That is why the government is so keen to reinvigorate the program. It will be rolled out in a measured and efficient way, so that we can give young people the benefit of work experience in a Work for
the Dole program, so they can enjoy the benefits of work while getting into a job, rather than languishing on welfare.

Ms COLLINS (Franklin) (16:54): We have heard a lot from the minister about the benefits of his Work for the Dole program. He has gone on a fair bit about the 18 new sites across the country. With all due respect to the minister, the 18 sites mean that the large majority of Australia will not have a Work for the Dole program. I am very curious as to what will happen to those young people—under 30, in stream 1 or 2, that will be required after six months to do Work for the Dole—when there is no Work for the Dole program in their local area. What is going to happen to these people?

He has also talked a lot about the benefits of the Work for the Dole program. Does the minister accept that evaluation of Work for the Dole has shown that only 35 per cent of participants end up in full-time paid employment after participating in Work for the Dole? Of course 35 per cent coming out and getting a full-time job is better than nobody getting a full-time job, and the minister referred to the fact that job creation and finding people jobs is the real solution to this.

The problem with the Newstart and the Work for the Dole measures is that they are applying in areas of very high youth unemployment. Parts of my home state of Tasmania have youth unemployment of over 20 per cent. Does the minister accept that there are no jobs there for these people most of the time and that the evaluation shows that the majority of them will not end up in full-time paid employment? Can he tell me what is happening to those people under 30 who are not in a Work for the Dole site and who will be required to mandatorily participate?

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (16:55): The shadow minister appears to be getting quite hot under the collar. Let me say that what I have announced is just phase 1 of our rollout of Work for Dole. I say to the shadow minister that we will be making further announcements in due course. I was interested in her concern for job creation—and that is a very important point. We on this side of the House are absolutely concerned about job creation, so I put the question to her: why doesn't she help us repeal the carbon tax so we can create more jobs for Tasmanians?

Opposition members interjecting—

Mr HARTSUYKER: It was the Labor-Green alliance that created the problems that Tasmania currently has. A Labor-Green alliance at a state level and a Labor-Green alliance at a federal level: what a disastrous cocktail for the state of Tasmania to endure. We are focussed on creating jobs in Tasmania. That is why we have the Tasmanian Jobs Program that is encouraging employers to put on new employees.

Dairying is a very important industry in Tasmania, yet your carbon tax is costing every dairy farmer thousands of dollars. Your carbon tax is costing every processing factory tens and tens of thousands of dollars in extra costs. And you know what? Our international competitors, the competitors that Tasmanian dairy are having to compete against, do not pay a carbon tax.

Opposition members interjecting—

Mr HARTSUYKER: They do not pay a carbon tax. The member over here is pretty lonely because we have three great new members in Tasmania. It is no wonder.
Opinion members interjecting—

Mr HARTSUYKER: The last Labor member standing in Tasmania, and it is no wonder. We have a Tasmanian Jobs Program, but let me go back to Work for the Dole and the importance of Work for the Dole in encouraging young people to work. I was in Tasmania just recently and the dairy industry told me that it has several hundred new jobs coming on stream. And where is it seeking its workforce? It is seeking it in New Zealand. Despite the high level of youth unemployment and the fact that Tasmania has the highest unemployment in the country, the dairy industry is struggling to find interest from young Tasmanians, so I and my department have been working with the dairy industry to encourage job seekers to take up the opportunities that exist in dairy.

We want to see a more expanded dairy industry, so we want to get rid of the carbon tax. I hope you explain to your constituents that because you are too weak to stand up for them the dairy industry is going to have to pay a carbon tax. You should say to them: ‘Because of me dairies are paying thousands upon thousands of dollars in carbon tax. Because of me the processors are paying tens and tens of thousands in extra tax that the competitors to Tasmanian dairy do not have to pay.’ It seems passing strange that members opposite could be endlessly feigning concern for the young unemployed while at the same time standing in the way of the very measures that are going to create opportunities. We are all about creating opportunities. We are about getting young people into work. We are mindful of the benefits that Work for the Dole can bring. We do not sit on our hands and quote reports that are 15-plus years old, which you are. You are resting on old-time reports based on a very early version of the scheme. We are about bringing in a Work for the Dole scheme that will give young people the skills that they need to get into a job that contributes to the community at the same time. We are about opportunities on this side of the House. They are about standing in the way.

Proposed expenditure agreed to.

Defence Portfolio

Proposed expenditure, $27,211,110,000

Mr ROBERT (Fadden—Assistant Minister for Defence) (17:00): I am very pleased to have the opportunity to address the House and spell out precisely what this government is doing to repair the extraordinary damage done to the defence budget over the last six wretched years the Labor Party was in power. Responsibility to repair the damage wrought by those opposite has fallen once again to this side of the House as it has so many times in the past.

Mr Nikolic: History repeats.

Mr ROBERT: History does repeat—wise words from the member for Bass. The Labor governments under Whitlam, Hawke and Keating all saw cuts in defence. Cutting defence is in their DNA. In fact, in the 13 budgets between 1982-82 and 1995-96 Labor cut defence spending by 8.9 per cent in real terms. That is why in opposition we produced the *Little book of Labor's defence backflips*, which went through in extraordinary and excruciating details all the things Labor cut. The brutal reality of the hollow force bequeathed by successive Labor governments—Rudd, Gillard, Rudd again—laid bare time after time. It was laid bare from the end of the Hawke-Keating era, which we saw in Timor in 1999. It is laid bare now. Some say
history does not repeat itself. I guarantee you: when it comes to defence and Labor's mismanagement, it repeats itself time and time again.

Labor's custodianship of defence over the last six years is nothing less than scandalous. As a proportion of GDP—and let this hang around their necks as a mark of their shame—defence expenditure fell to 1.56 per cent, not seen since 1938. That is what hangs over their heads in abject shame. That is what will be written on their political epitaph, etched in stone how the Labor Party considers the Defence Force. All in all, Labor cut $25 billion of the defence budget, including $5.5 billion in 2012-13 alone. This was the single largest decrease in defence expenditure—a decrease of 10.5 per cent—since the end of the Korean War. These are facts. It is not conjecture. It is not argument. These are statements of fact.

When Labor left office, I think it was Mark Thomson of ASPI said it best when he was quoted in The Age on 14 May:
I was on the record saying that the budget Labor gave [in 2012] left things in an unsustainable mess.
This is Mark Thomson, widely seen across the nation as the best commentator on defence budgets, where the entire national community waits until he produces his thesis on the defence budget to understand exactly the impacts of it, and he quotes Labor's budgeting as 'an unsustainable mess'. Again on 30 May this year he said:
Defence has been under financial pressure for the past few years because of cuts made by the Rudd and Gillard government in a futile attempt to get back into surplus.
That is the frank assessment of probably the most respected commentator for defence financial matters, Mark Thomson of ASPI, someone who is held in high regard and who tells it as it is.

Be under no illusion: the damage inflicted by Labor will take years and years to fix. We promised before the election we would take the budget back to two per cent of GDP within a decade. The problem is that when the Howard government lost government in 2007, the Defence budget was—give or take—near enough to two per cent. It took six wretched years to destroy it and there are 10 long years ahead to put it back again.

For the 2014-15 budget, this government is providing $29.2 billion to Defence and $122.7 billion over the forward estimates. It is $9 million more than Labor provided. The funding includes $436.8 million in 2014-15 and $669.4 million across the forward estimates for the continuation of the operations in the Middle East, enhancing border protection, Operation RESOLUTE and to support the G20.

We have delivered on our commitments taken to the election—every one of them. It is a commendable start to getting back to two per cent of GDP. The ADF Gap Year has started, ADF free housing has started and we have indexed DFRDB, on which I will have more to say. We have, in the first year, put all of our commitments into play. It is a stark contrast to the years of Labor.

Mr VAN MANEN (Forde) (17:05): I would like to thank the assistant minister for his opening remarks. I do have a question for the assistant minister, but I will put it into a little bit of context first. I would first like to put on the record my thanks for the wonderful work that the men and women of our ADF do in securing the defence of this nation in a variety of theatres around the world but also here onshore. I think that they do a tremendous, tremendous job.
In light of that, it is sad—as the Assistant Minister for Defence has touched on—to see that degradation of funding and capability for our Defence Force over the past six years. Could the minister please, given Labor's failed history of budgetary decisions in relation to Defence, explain how releasing a 10-year capability review for our Defence Force is going to help build and restore not only the confidence of the Australian people in our Defence Force but more importantly restore the confidence of our serving men and women? That is, restore their capability to carry out their duty and the capability of Defence to do what needs to do to protect this nation and help others around the world, as we do in many strategic partnerships.

Mr ROBERT (Fadden—Assistant Minister for Defence) (17:07): I thank the member for Forde for his question. He is a man who understands the impacts of budgetary needs. He is someone who works very hard in his electorate to ensure that his people are well-served and that those who serve our country and have served in the past—our veteran community—are well taken care of. The member for Forde is someone who campaigned relentlessly to see DFRDB indexed in the appropriate and proper manner, all of which has been done. That indexation starts in 13 days. I thank the member for Forde for his continuing advocacy.

He rightly asks the question about Labor's failure when it comes to projects. The failure is extreme. You are cutting $25 billion in the budget and it has to be cut from somewhere. In the defence scheme of things, you normally have a third of your operating costs for personnel, a third for the day-to-day operations and a third in terms of future capability. Under Labor's cuts, future capability dropped down below 20 per cent. It was 18 to 19 per cent of the budget.

They cancelled, deferred or delayed over 100 projects. A hundred! It is the biggest cutback in projects we have seen in the modern age. Let us look at the projects cancelled: ADF Joint Command Support Environment, operational imagery and geospatial support, identity management, joint non-lethal capabilities, replacement air targets, combat identification for land forces and long-range persistent subsurface detection capability.

Let us look at projects they actually delayed: C-130 J infra-red countermeasures—yes, that is something you want to delay while we are at war; that is a cracker; fixed base defence air traffic management systems; leading fighter capabilities; subsequent phases to improvised explosives devices, which is something you want to delay; tier II unmanned aerial vehicles, because we are only running those in Afghanistan; joint intelligence support; and capability alignment for the CH-47 Chinooks. The list goes on and on. There is page after page.

The Night Fighting Equipment Replacement project was delayed by Labor. Future artillery ammunition was delayed. Soldier Enhancement Version 2—Lethality: that is something we would like to see delayed, isn't it! That is the lethality of what our soldiers actually use. The list goes on; it goes on for pages and pages of what has been delayed by the Labor Party.

This side—the Liberal-National parties—are committed to ensuring that our men and women have the finest gear available when they need it. We are not going to cut more than 100 projects of defence capability like Labor did. Labor put together Force 2030, which is a force structure that would be delivered and fully capable by 2030. We are not going to cut it and gut it like they did, and push it out into the 'force never-never'. We will work closely to ensure it is done. Under the Howard government, jobs in the defence industry doubled; under this last wretched government, jobs disappeared by 10 per cent. As the economy grew, jobs disappeared by 10 per cent.
Industry has sustained havoc under Labor, and it is a shock. Under Labor, the defence industry was denied the ability to undertake long-term planning because the defence capability planning under them was not worth the paper it was on. Even when they released the 2013 Defence white paper, they did not approve another defence capability plan—it was not approved. They spent money from it, but the Minister for Defence never approved it. That is complete and utter disregard.

A force structure review comes with the white paper—that is the process. What we had was a 2013 white paper; no force structure review; no planning for industry; no capability planning at all. But then again, what do you expect from a minister like Minister Smith, who never once went to a graduation at RMC Duntroon? Not once. Three years as defence minister, and he never turned up once to a graduation at the Australian Defence Force Academy. He never spoke to the Joint Services Command and Staff College—never spoke to them at all. He went to Russell three times—three times the defence minister went there. But then again, under Labor there were three defence ministers, and in total for the ministerial team for defence, there were 15 reshuffles. I think the best was Senator Carr, who was the Minister for Defence Procurement for less than 15 weeks. That is how Labor treated defence; that is how they treated the defence planning; that is how they treated the defence capability planning; that is how they treated defence industry—with contempt.

Mr FEENEY (Batman) (17:12): Minister, I was looking forward to your hyperbole this afternoon, and you have not disappointed. But I might now bring you on to something that might find you wandering into the realm of fact and reality.

Let us begin with shipbuilding. I am sure you will recall with stark clarity a number of commitments that were made by the coalition in opposition. In particular, I refer you to two. The first was that most succinctly articulated by David Johnston in a press conference of 8 May 2013, where he said:

We will deliver those submarines from right here at ASC in South Australia. The coalition today is committed to building 12 new submarines here in Adelaide.

I think it is fair to say that the coalition went to the last election with a policy that was very clear—that you were going to build 12 submarines in Adelaide at ASC.

Mr Robert interjecting—

Mr FEENEY: And of course—I will ignore the interjections, but insofar as he means, they do help—at that point in time, the opposition clearly was in lock-step with government about the option being either an Australian design or a son-of-Collins design built in Adelaide.

As you are well aware, the submarine capability is one of enormous importance to this country, and is an integral part of the maritime strategy that certainly underpins white paper 2009 and white paper 2013. And, I would hazard a guess, your white paper, which I think is due in April of next year. So I would like to hear from you on the question of 12 new submarines, because the clarity with which you went to the last election has of course disappeared into a miasma of fog since you won office.

Since you have been in office, that clarity has been lost, and instead we have found the Minister for Defence making a number of contradictory remarks. Recently he attended an ASPI conference on the nation's submarine capability, and at that conference—where it was
much-heralded that he was going to make some significant announcements in this space—he then proceeded to say very little. But he did, of course, canvass the notion that Australia would pursue a MOTS design. He spoke about Spain, France and Germany in that speech. He talked about a MOTS design and those also being options that were put before government. So what is the status of government searching for a MOTS design, in particular from those three nations?

Then, in more recent days, and in the aftermath of the two-plus-two dialogue with Japan we have seen the Minister for Defence starting to talk about working with the Japanese in a collaborative way to build an enhanced submarine capability. As the minister would be aware—but, no doubt, it is something he does not want to talk about—these were productive conversations that we had with the Japanese while the government. We welcome the fact that those discussions are continuing.

But in reporting on those discussions, the minister has alluded to the fact that there would be technology transfer. He has spoken of propulsion systems and other systems, and there has also been canvassed the idea that we would buy a MOTS design from Japan. There are a lot of obvious challenges with that, but can the minister please advise the parliament what the government's intention is with respect to the Soryu class submarines from Japan? Can he rule out the fact that we would not purchase a MOTS design from Japan?

On the bigger question of shipbuilding: there was a commitment from the then opposition and now government that it would deliver a plan to bridge the 'valley of death'. In fact, the Minister for Defence announced that by April of this year he would have a plan to bridge the 'valley of death'. He has at various moments canvassed the idea of building a fourth air warfare destroyer but in office has ruled that out. He has at various moments canvassed the idea of replacement Armidales but, again, we have no concrete decision. And then in more recent days he described as 'an exciting announcement' the announcement that the two replacement oilers would be wholly built overseas in either Korea or Spain, and that local shipyards were to be excluded from the opportunity to bid for that work. He has denigrated the shipbuilding industry; he has said that the shipbuilding industry in this country is not capable of building those vessels—that it does not have the capacity to build those vessels. Can he please advise us how it is that that commitment has come to nothing—to ash? How is it that he is going to bridge the 'valley of death'?

Mr ROBERT (Fadden—Assistant Minister for Defence) (17:17): Well, this is hilarious from the Labor Party, isn't it? Leave a complete disaster and then question why we have not fixed it! I can see the Labor Party: they are like coming home and your flatmate has trashed the house and is lying blind drunk on the sofa. You walk in and start to clean up the mess and then the drunkard rolls into his own vomit on the floor, wakes up and gets cross at you for cleaning the house and wants to know why it has not been done! Well, thank you very much, member for Batman! Let us go through each of your claims one by one to unpack the hilarity of the wall. Let us look at the fog that you talk about.

In 2009 Labor made a commitment to 12 submarines with an interim operating capability of 2025-26. If it had actually stuck to the plan there would be no need to extend Collins. But what did Labor do? Nothing. Nothing—in fact, they did nothing for 4½ years. Four years! And because of this Labor was forced to move the initial operating capability by four years to
2029-30. It also took about $20 billion out during the same time. That was their commitment—wrong! That was Labor's commitment to 12 submarines.

Our focus is actually on getting the right capability for Navy, determining how many boats we require at sea to undertake the task set by government and consequently how many boats we need in total. We will deliver an affordable, deliverable white paper. Labor's legacy 2009 white paper: completely unaffordable. One and a half pages of scant financial detail—pie in the sky. The 2013 white paper: no force structure review, no defence capability plan attached to it and no funding attached to it.

We will take national security seriously. The Labor Party speaks from a legacy where Prime Minister Gillard sent her bodyguard to meetings of the National Security Committee of cabinet. The idea that we would be lectured by the Labor Party on national security is simply hilarious. We will ensure that Australia has the military capabilities to deter threats and to project forward in our neighbourhood. We will actually do the hard work that Labor has delayed.

Labor says, 'We were the ones who entertained initial discussions with the Japanese in terms of submarine technology.' Really? I think Minister Johnston was the very first defence minister actually to go to Japan and start a conversation seriously about what cooperation we could possibly have. Labor made a commitment with little data to back it up and then did nothing and created an operational gap. We will fix it up, as we do with everything Labor does in Defence. We will clean up the mess that the drunkards have made while they still look hung-over on the couch. When it comes to shipbuilding and the 'valley of death', I say this is hilarious. What did Labor do in government? Your last election commitment for Defence—

Mr Feeney interjecting—

Mr ROBERT: No, I will not take the question, member for Batman, so resume your seat. What did Labor do at the election? What did Labor do? They promised to move Fleet Base East to Brisbane. That was your policy.

The DEPUTY SPEAKER: The minister has a point of order?

Mr Feeney: Yes, Madam Deputy Speaker. The point of order is relevance. My questions are obviously very clearly confined around two commitments of the coalition: those pertaining to bridging the valley of death and 12 submarines. He has not wandered near the question.

The DEPUTY SPEAKER: I remind everyone here today that this is not question time. It is consideration in detail. The only requirement is that the speakers are relevant to the portfolio. The minister has the call.

Mr ROBERT: Labor's contribution to that 2013 election was to move Fleet Base East to Brisbane, and now Labor wants us to take them seriously. Labor asked the nation to take them seriously. Labor asked their shadow defence minister, Senator Conroy, who thought he would use a movie, A Few Good Men, to attack one of our most distinguished generals. You want us to take you seriously?

What did Labor do for two or three years, knowing full well the valley of death was coming in terms of shipbuilding? Nothing. We know that Success and Sirius need to be replaced. What decisions did the Labor government make? None. None at all. And now they have the hide, the temerity, the blatant effrontery, to walk in and to demand to know why we
are not doing more, whilst we are cleaning up the house after their drunken party and they lie hung-over on the couch—hilarious.

Mr NIKOLIC (Bass) (17:22): Minister, I have often heard you say that Defence is a strategic portfolio and that like any good strategic portfolio it craves certainty and reliability from government. During some of your answers, you mentioned the 2009 white paper. As I understood it, the process was meant to provide that reliability and certainty to the Department of Defence. If I understand the logic of the 2009 white paper, it was founded on a grand bargain between Defence and the department. This was a grand bargain, which had two parties. On the government side, we were going to provide three per cent growth in real terms from 2009, the time of the white paper, to 2017-18. From that point on, 2017-18 to 2030, which was the name of the white paper, it was going to be 2.2 per cent growth in real terms. I think the benevolent government of the day even promised some certainty with respect to indexation of the money it was going to provide Defence. That was what the government promised to do, to deliver that certainty and that reliability.

On the Defence side, they demanded the department search deeply within its organisation and find $20 billion in internal savings. When you put the two elements of that grand bargain together, that was meant to deliver the capability requirements of Delivering Force 2030. Minister, you would know whether the parties met that grand bargain, whether they performed their parts of that grand bargain. I imagine the long-term planning and long-term funding Defence requires to fund some of these capabilities would be very apparent in the incoming government briefs—and your analysis of the budgetary impact of what happened in 2009, and what happened in the intervening period, where I understand Defence was used as something of an ATM and that things were pushed off to the right.

I am interested in your perspective. Did the parties meet their responsibilities under that grand bargain? What is our approach in relation to providing that certainty and reliability that Defence quite rightly demands?

Mr ROBERT (Fadden—Assistant Minister for Defence) (17:24): I thank the member for Bass for his cogent questions and acknowledge his great interest in over 32 years of service. As someone who finished as the head of IP division and a FAS in the department, he is someone who knows a thing or two about budgets and how Defence works. One of the reasons we produced The little book of Labor's Defence backflips was to ensure that the truth and the facts would always be cogent. It is interesting to see, over the years, in the Defence budget what our commentariat said.

Ross Babbage said there 'Little security in Defence budget'. Brendan Nicholson said, 'Cuts prove fatal to Defence plans'. Greg Sheridan: 'Our forces reduced to impotence'. David Wroe, in the Sydney Morning Herald: '$33b shortfall in military purchases'. The headlines in the Financial Review were, 'No excuse for mess of Defence policy'. And Cameron Stewart's headline was 'Defence white paper goes down in flames'. John Kerin has said that defence cuts were a threat to the US alliance. And on and on it goes. It is a woeful story unpacked by the nation's defence journalists. It is a story of a defence budget handed over, in 2007 at the time of the Howard government loss, in fine working order. It is a defence force that was committed in combat operations and had learned lessons from the previous deleterious effects of Labor governments leading into East Timor in 1999.
The Defence Force in 2007 was left with a legacy. You know you go to war with the gear you have, and in 1999 we did not have the gear we needed. And the coalition vowed that that would not happen again. The problem we face now is that we do not have the gear we need. The grand bargain of Labor providing three per cent real increase in the Defence budget 2017-18 and then a modicum less than that to the out years to deliver Force 2030 was not delivered—it was not followed through.

The bargain was broken in a horrendous fashion. The budget was driven down to 1938 levels in GDP terms. Almost 120 projects were delayed, pushed to the never-never or got rid of. That is the situation as a statement of fact. That was the level of debilitating impact that we had in the defence budget. That is what we have to deal with; $25 billion was taken out and it will take 10 years to get that money back. This budget is a good start—over $29 billion. We have taken the spend as a proportion of GDP back to 1.8 per cent from where it was at 1.56 per cent.

I never saw the member for Batman out there saying, 'What the Labor government has done is dreadful.' I never saw that. I never saw Senator Conroy, the current shadow defence minister out there saying, 'This is dreadful.' I never saw that. Silence is acquiescence. We can naturally assume from the silence from the member for Batman, from Senator Conroy, from the other shadow team and from the member for Canberra, Ms Brodtmann, that they agree with defence being used as an ATM, with money being ripped out.

The hilarious thing was that Minister Smith would often say, 'There is no impact on capabilities.' Forty-six per cent of all projects—future capability and future force structure—were delayed, deferred or cut but, 'There's nothing to see here! There's no impact on capability.' It is simply and utterly laughable.

We will start the hard yards of getting it back in order. This budget has started that process. The Defence white paper that we will deliver next year will be ruthlessly costed and ruthlessly budgeted. For what we say we can afford, you will be able to see where the money is coming from. You cannot speak strategy without speaking dollars and cents. The problem with the last Labor government is that they would speak grand strategy—grand moving hands—but they could not back it up. They refused to back it up with dollars and cents.

The last budget of Labor gave capability from 9.00 am to 12.00 pm—three hours—to rip a billion dollars out of the budget so that their forward estimates would have a surplus. They gave defence three hours to bill $1 billion out so that their budget would have a surplus. Five hundred times the Prime Minister and the Treasurer said that a surplus would be delivered, but what were we left with? A $51 billion deficit. That is the legacy of Labor.

Mr FEENEY (Batman) (17:29): I guess you have shattered any illusions I may have had, Minister, that a question might get a satisfactory answer. Nonetheless, I will persist.

As you would be aware, LAND 400 is a vitally important project. Chief of Army recently described in a speech how we conceptualise the Air Force with planes and the Navy with warships, and so we must conceptualise the Army with armoured vehicles.

As you would be aware, LAND 400 was one of the flagship projects in the previous DCP—a $10-plus billion program aimed to achieve some 1,100 vehicles. As you would also be aware, the Bradley is now close to if not at obsolescence and the ASLAV has its own deficiencies in terms of contemporary IED threats. So there is a significant requirement for
Army. In addition, of course, new generation armoured vehicles are an important part of the digitisation of our brigades more generally.

In terms of LAND 400, there has been significant interest from various quarters in Australia about how Australian defence industries might play a role in LAND 400. As you would well and truly comprehend, having in recent months thrown the Australian car industry overboard and abandoned it merrily to its fate, there are now significant automotive workforces in the northern suburbs of Adelaide and in Geelong that spring to mind who are looking to see whether LAND 400 might provide them with opportunities going forward. You, of course, must be aware of the fact that the city of Geelong has run a quite robust campaign promoting its virtues as a destination for investment in LAND 400. Curiously enough, the Ford plant in Geelong was originally built to construct tanks in World War II, so you might say it has a history. It is a city that has capabilities in terms of space, factory facilities and workforce and no doubt Adelaide makes the same claim.

So, in that context, could you please advise us as to the current time line for LAND 400? Can you tell us when we can expect to see first pass approval? Has the scope and capability requirements for LAND 400 been varied since this matter was previously reported? Can you tell us how the vehicles you are now proposing to acquire under LAND 400? Does it continue to be 1,100 vehicles or has that number been decreased? Can you also tell us whether you are envisaging that LAND 400 will acquire a vehicle able to carry, say, 11 persons, or are you imagining a vehicle that is of less capability than that? Perhaps you can also tell us how our traditional partners, and in particular the United States and the United Kingdom, might be in a position to collaborate with us in searching for a fifth generation armoured vehicle.

These are obviously critically important questions. It is obviously a question close to the heart of Army and in the aftermath of the government’s recent announcement regarding the acquisition of the F35s—and how could we forget that delightful moment when the Prime Minister climbed around a giant model F35 while across the road Mr Hockey was giving a speech about the end of the age of entitlement, a remarkable set of optics which I am sure, Minister, you are far too sensible to have advised them to engage in. So, LAND 400: what can you tell us about the scope, what can you tell us about the numbers of vehicles, what can you tell us about when it goes to first pass approval?

Mr ROBERT (Fadden—Assistant Minister for Defence) (17:33): I think the shadow minister for his question. We are all aware, of course, that LAND 400 will deliver a land combat vehicle system capable of close mounted combat operations with a deployed force. If we think back to our combat operations post-Vietnam there are only two where we have not sent an armoured fighting vehicle of some sort. That, of course, is Op Bel Isi in Bougainville and RAMSI in the Solomon Islands. Every other operational deployment we have done we have sent either cav or infantry fighting vehicle support. LAND 400 will deliver that close vehicle system. It will include a wheeled-reconnaissance vehicle to replace the ASLAV. It will include a tracked light infantry vehicle to replace the current 1113, albeit, upgraded but still of Vietnam vintage. That, of course, will be able to lift a combat element of a battalion. It will have a track manoeuvre support vehicle that enables battlefield groups to cross obstacles—bridging, mine clearing—and of course an integrated training system. The shadow minister is right: it is a substantial project, the biggest one Army will actually deliver, of some $10 billion. It will go to first pass this year. From first pass, we will ensure that over the
coming years the capability is procured. So that, when the ASLAV reaches its end of life—the ASLAV is our first infantry fighting vehicle—we will have the new vehicle, and there will be no operational gaps.

As we know, the 113 upgrade program only finished in the last few years, and its extended life will go through for many years yet. It is a substantial project. We are looking for industry to deliver as many innovative solutions as they possibly can.

Industry of course has been briefed, most notably by me, on various occasions—the LAND Environmental Working Group in Canberra on 11 November; in Geelong on 7 March; and recently in Adelaide, South Australia, on 29 April. Each time I have made it very clear that when the rubber hits the road, in terms of the tender, we are looking for industry to provide innovative solutions to deliver a fifth generation combat vehicle type. It must be a vehicle in manoeuvre forces with a First World army right now. We are not going to design a new vehicle. It will be military off-the-shelf in design. We will need to reach out and touch it. It does not mean we cannot develop it in Australia in terms of build, but we need to be able to reach out and touch and see that vehicle. We will need to be able to see how the battle management system is integrated with the current battle management system under LAND 75 as part of that.

Industry needs to be innovative in its approach. It needs to give the government half a chance to maximise the work that we do in Australia. But it is going to come down to Australian industry to ensure they put forward bids that maximise their opportunity. It is going to require some innovation. I have already had discussions with local councils, with state governments and with a range of primes to ensure that message of taking an innovative approach is well and truly there.

Can I conclude by looking at a bit of history of vehicles, because it is a little instructive? LAND 121 phase 4 is currently looking at the option of manufacture and support in Australia from Thales, which is the Hawkei vehicle. I remember being here on the other side of the chamber asking the then minister: 'Why did you give $40 million to the joint light tactical vehicle—JLTV—US program to develop LAND 121 phase 4, but you gave nothing to local industry? Why were you prejudiced against local industry?' Of course he had no answer. We pushed them, and in the end they gave an amount—I think it was around $19 million; I might be off by one or two—to local industry. And where are we now? That $40 million to fund the vehicle variants under JLTV are no longer being looked at by the US; none of them are. The money we pushed the then government to use was then used in part by Thales to produce Hawkei, which is now the manufactured and supported in Australia option.

An opposition member interjecting—

Mr ROBERT: I am taking credit? Wrong. The government is simply taking credit in opposition for forcing the wretched Labor government to stop throwing money outside the country and to support Australia. Another one is LAND 121 phase 3—sophisticated trucks. Trucks are not simple anymore—but 18 months to get a contract going? Let's not be lectured on vehicles by the Labor Party.

Dr HENDY (Eden-Monaro) (17:38): Eden-Monaro is a rural seat. It is well known as a rural seat but it is also a major Defence seat. I have more than 2,000 Defence related workers who live in my seat. I also have some 3,500 veterans who live in the seat. When you add

FEDERATION CHAMBER
together those people and their dependents and relatives, you find it is quite a significant part of the population of Eden-Monaro. We also have HQIOC, a vital cog in the bureaucratic infrastructure and operational infrastructure of Defence for this country. We also have the Port of Eden ammunitioning wharf, which I will come back to in a second.

I have a couple of questions to raise with you while I have the opportunity. I well remember that in the lead-up to the 2007 election our opponents promised that they would change the indexation formula for the Defence Force retirement benefits and Defence Force death benefits. That never happened during the six years of the Rudd-Gillard-Rudd government.

An honourable member interjecting—

The DEPUTY SPEAKER: Order! The member will be heard in silence.

Dr HENDY: About three weeks before the election campaign started the then junior minister for defence popped up in Queanbeyan and promised again that they would implement that policy—a policy they never implemented in six long years of government. So my first question will be related to that: what are we doing with respect to that indexation promise?

An honourable member interjecting—

Dr HENDY: So you are opposing it, are you?

An honourable member interjecting—

Dr HENDY: You are opposing it again? You promised at the last election and you are opposing it. That is amazing! There was a promise from Labor in 2007. There was a promise in 2010 from the member for Eden-Monaro. There was a promise in 2013. Has it been delivered in this budget?

My second issue is that it is very well known, as you said in your introductory remarks, Minister, that $25 billion was cut out of defence. It is well known also, although they have the discretion not to go and give it in a press conference, our US allies have been very concerned about that.

An honourable member interjecting—

Dr HENDY: We know, mate. Absolutely. We know. They have been very concerned. And, with respect to the pivot to Asia, the US has been very concerned about the cut by the last government, the Rudd-Gillard-Rudd government, of $25 billion to forward estimates for defence expenditure. Can the minister give us an update on the views of our US ally about the reversal of those cuts to the defence budget? Lastly, you mentioned in your initial presentation, Minister, the Labor promise to move Fleet Base East from Garden Island to Brisbane.

An honourable member interjecting—

Dr HENDY: No, it was their policy; the Prime Minister at the time announced it. The fact is that they never satisfactorily explained what would happen to the Port of Eden ammunitioning wharf if Fleet Base East were moved 1,000 kilometres north. It would leave the electorate of Eden-Monaro and move up the coast, probably to Queensland. I am wondering if you have a comment about that with respect to the defence budget, Minister.
Mr ROBERT (Fadden—Assistant Minister for Defence) (17:42): I thank the member for Eden-Monaro for his questions and his long support and advocacy for his veteran community. He is someone who stands up for his community very strongly. He is a very loud, clear and cogent voice. He is someone whose advice and counsel I receive quite regularly.

First of all in terms of the DFRDB, I thank him for his advocacy. We took to the last election a very strong DFRDB policy. It was supported very strongly by those here on this side of the House—the member for Bass, the member for Brisbane, the member for Ryan and the member for Eden-Monaro. They were vociferous in their support for it. Labor's 2007 election document said that a Rudd Labor government would maintain a generous military superannuation system in recognition of the importance of the ADF. But then what did they do? Nothing. They put in place the Matthews review, which was designed to ensure that the full indexation of DFRDB did not occur. That is what they held onto.

Three times in this House we put up private members' bills and other bills to successfully get it through. Every time the member for Batman and the member for Werriwa opposite voted against it. They had a chance to step up, but they voted against it. We took it to the election again. I remember standing there with many of my colleagues here. We took it to the election again and had overwhelming endorsement. We then legislated it through the House. Many of those around here spoke well of it. It went through the Senate. It passed the House of Representatives and the Senate and, as a result, in 13 days, when it takes effect on 1 July, 57,000 DFRDB and DFRB superannuants will be better off. That includes 813 retired Defence Force members in the member for Eden-Monaro's electorate. He stood up for 813 retired Defence Force members and achieved that indexation. This is an initiative that has been a long time coming, and I am pleased to report that the budget fulfils the financial requirements of the government. We have put the welfare of our people and their families first, alongside free ADF health care, alongside bringing back things like the ADF gap year and other programs—we are putting our people first. The coalition's policy applies to those aged 55 and over, and takes indexation in line with CPI, PBLCI and MTAWE.

Contrast this to what Labor did at the election—under pressure, the former member for Eden-Monaro ran out there and said, 'We need a policy too; and we will make it apply from about age 60.'

An honourable member: It wasn't as good!

Mr ROBERT: Nowhere near it! It was not fair; it was unfair indexation, and it was in response to some bad polling. This side—the now member for Eden-Monaro, the member for Ryan, the member for Bass and the member for Brisbane—we all stood up for a policy on principle. The Labor Party got a shock from polling, and thought they would rush something through. Their rushed veterans' policy for DFRDB sits alongside, 'Let's move Fleet Base East' as one of the great thought bubbles.

The member for Eden-Monaro also asks about the experience from a major alliance partner, the United States, in what their view was of the Defence Force being used as an ATM. Their view came through very, very strongly—let me quote John Kerin again, from the Australian Financial Review of 25 May 2012:

The nation's top defence analysts warn that the Gillard government's deep cuts are threatening the future of the United States alliance and Australia's status as a middle power.
Senior executive after senior executive, from Kurt Campbell through to former defence secretaries, came out and publicly harangued the government for what they did—publicly and privately, I should say—harangued them for that they did.

Put the alliance second, because if you steal from Peter to pay Paul, Labor's view was that Paul would vote for you. And that was the problem. The welfare budget went through the roof whilst defence was cut and cut and cut again to meet Labor's misguided priorities. We will not do that as a government—we will stand up for what is right; we will be consistent and we will be disciplined. We will have a structured planning process; a structured force structure review; a budgetary process that connects to that, and we will have a defence force our nation can be proud of.

Mr FEENEY (Batman) (17:47): Minister, you have spoken with great enthusiasm about the budget, so let me turn your attention to the DSTO.

As you would no doubt be aware, one of the nasty little surprises from a government that promised no surprises was significant cuts to the DSTO. The DSTO, of course, is an organisation that has an extraordinary record, and does this country very proud indeed. The DSTO has worked with partners across defence industries and, indeed, has worked very successfully with organisations right around the world. DSTO teams travel to all parts of the globe and work side-by-side with ADF teams on operations so that they can deliver the very best results to our people.

The DSTO is the proud parent of some extraordinary inventions—our JORN over-the-horizon radar system is one; the Nulka anti-ship decoy system is another—a decoy system which is now found on every US Navy vessel, as well as our own. And, perhaps a little topically, the DSTO invented the black box, which of course is used to trace aircraft. An extraordinary record of achievement in the defence-science space that has helped make defence scientists and technicians leaders in the world in how they collaborate with private industry, and in the work and the accomplishments to which they can lay claim.

In that context, can the minister please explain how it is over the forward estimates that some $50 million has been carved out of the DSTO budget? Can he please advise how that $50 million cut over the forward estimates is going to impact on the work of DSTO? What is that going to mean for the participation of the DSTO in overseas collaborations? What is that going to mean for the DSTO in programs and research that are presently underway? How is it, amidst all of your flummery around the defence budget, that such critically important capabilities that flow from the work of the DSTO can be ignored? Are we going to see significant job losses—staff losses? And what about facilities—obviously, the DSTO works very successfully out of a number of facilities. Are any of those slated for your rather dramatic and inflated plans regarding releasing defence estate?

While we are on the subject of the DSTO, you will have noticed that our legendary Commission of Audit—a commission of audit that conducted its work in great secrecy and was not able to release its findings before the by-election, then was not able to release its findings before the Tasmanian state election and then was not able to release its findings before the Western Australian Senate re-election—has finally now released its findings. And we found a little gem in there, which I am sure did not escape your notice, that the DSTO is an agency that is well-suited for outsourcing and sale. What can you tell us about government intentions with that rather extraordinary idea?
Mr ROBERT (Fadden—Assistant Minister for Defence) (17:50): I thank the shadow minister for his question. I am extraordinarily happy to speak about the DSTO. Let me be clear about cuts to DSTO and where they fall, and let us look at this factually, because, unfortunately, the former Parliamentary Secretary for Defence in the last government has been found out. Despite promising an extra $138 million for DSTO at the 2010 election—that was Labor's promise—between 2011-12 and 2012-13 in the PBS, Labor cut the DSTO budget by $22.2 million. That is the Labor legacy fact.

In the PBS again, Labor ripped an additional $22 million from DSTO in the 2013-14 budget—that is a fact—and, in its last year in office, Labor ripped $106 million from DSTO, as we discovered in the additional estimates released in October 2013. So I am happy to talk about cuts, because the last three cuts at DSTO have come from the previous Labor government. It is because of Labor's successive cuts that DSTO has been forced to reduce its staff to balance its books. That is Labor's legacy; they are the facts and they are not disputed.

I will also take the opportunity to say, as I see the member for Canberra here, that those responsible in the last Labor government cut 14,500 APS jobs in their time in office. That is a statement of fact. There have been 2,800 Defence APS cuts over the last three years. That is a fact.

To the member who asked the question—you were the Parliamentary Secretary for Defence, sir. This happened on your watch. Your silence was acquiescence. This is what you did to the DSTO.

The DEPUTY SPEAKER: Before I give the call to the member for Ryan, I remind members that at 6.00 pm tonight the Federation Chamber will consider the Veterans Affairs segment of the Defence portfolio.

Mrs PRENTICE (Ryan) (17:52): My question is to the minister. All members of parliament were recently invited to experience what it would be like to fly one of the new Joint Strike Fighter 35s, and it was quite amazing for those who took up the offer. I am told by pilots in the veteran community that it is like flying a computer desk compared to how they used to fly planes. I think every one of us who availed ourselves of that opportunity understood the amazing capability that it has. Could you elaborate on why that is the best and right choice, and the flow-on benefits to Australian industry?

Mr ROBERT (Fadden—Assistant Minister for Defence) (17:53): I thank the member for Ryan for her very good and insightful question.

The Joint Strike Fighter—the Lightning II—is the most advanced fifth-generation fighter the world has ever seen. In working with our other nine partners across the world, 10 nations will be taking delivery of this aircraft. That will be somewhere around 3½ thousand planes—it goes up and down as different countries vary their intake of jets. We are not just buying a plane that is an orphan; we are buying into the most sophisticated platform available for an advanced fifth-generation fighter. We are talking seriously significant fighter power in terms of flying computers, if you like; an ability not to be seen, but to see a long way out. This is about ensuring our legacy for the future.
It is a legacy based on some sound decisions. The Howard government began this program. When it looked like the program was not going to meet its time lines, it made a strategic decision to buy the Super Hornet. The Minister for Defence, the Hon. Brendan Nelson, made that decision, and he was vilified and rubbished by the Labor government, can I say. But they made a tough decision, a decision that the past Labor government then acknowledged begrudgingly was indeed the right one to ensure that there was no capability gap.

We have recently made the decision to buy a further tranche of 58 fighters to bring the total number up to 72, completely consistent with our election commitment and election promise. This is what good alliance partners and good purveyors of the public purse do when it comes to Defence. We make a promise; we stick by it. We say to our alliance partners, 'We will stump up with you in the development of this', and we have done it. Subsequently, Australian companies now have access to a whole range of opportunities to produce supporting gear and bits and pieces for the aircraft. Currently, hundreds of millions of dollars worth of work, with extensive work still coming, is available for those with the Joint Strike Fighter program. It is a quick decision, it is a sound decision, it will uphold our combat capability in the air for the decades to come, and we as a government are very proud of it.

Ms BRODTMANN (Canberra) (17:55): I am concerned by the uncertainties surrounding the government's approach to its civilian workforce planning. At least the Minister for Defence has finally given up on his claim which was originally cutting 1,200 Public Service job and has now publicly admitted that he is planning to cut the equivalent of 2,406 full-time APS jobs in the Department of Defence over the forward estimates. And that is just what we know about.

The minister has, so far, been unable to provide any indication of the measures being undertaken to ensure that these cuts do not impact adversely on operational capacity or to indicate in which areas the cuts will fall. It is one thing for him to keep delaying comment until the first principles review has reported, but these matters require assurance and we need assurance now. I ask the assistant minister: has the government committed at least to maintaining the current levels of staffing in key areas such as intelligence, scientific research and technical work? How can it reassure us that we will have in place measures to ensure that staffing decisions taken will fully incorporate the need to maintain operational capability support provided by civilian staff? Also, prior to the election, the coalition said it would cut 12,000 Public Service jobs through natural attrition. Can the minister assure Defence civilian staff that their jobs will be cut through natural attrition?

Mr ROBERT (Fadden—Assistant Minister for Defence) (17:57): I thank the member for Canberra for her question. Seriously, it is a bit rich being lectured on this by the member for Canberra. We know that Labor cut and planned by stealth to cut 14,500 jobs. We know that—the numbers are clear. It was clearly demonstrated on the floor of the House—a cut by 14,500. I did not hear the member for Canberra out there clanging the bells when Labor was looking at cutting that. We did not see the member for Canberra on the barricades. Did anyone? Never. Labor cut 2,800 jobs in Defence alone. Did you get a splinter on the barricades, Member for Canberra, when you stood there standing up with your constituents?

A government member: Just silence. She was like Marcel Marceau.

Mr ROBERT: I say the same thing to you that I say to the member for Batman, 'Silence is acquiescence'. You cannot be silent when your previous government cut 14,500 jobs. And
now you are coming out loud and clear now that we are actually sticking by our election commitments in terms of further reductions.

In 2011-12, 1,000 APS were cut from the Defence budget. Member for Canberra, what was your statement in 2011-12?

Opposition members interjecting—

Mr ROBERT: Yes, that's right—silence. Another 1,000 APS Defence jobs were cut in the 2012-13 budget. Member for Canberra, what were your public statements then? Silence? That's right. In the 2013-14 budget, another 800 public servants were cut. Member for Canberra, what were your public statements then? Oh that's right—silence. Over three years, the loud roar of silence was absolutely deafening! And Senator Conroy, accusing us of cutting 2,000 ADF personnel. If he had only read Budget Paper No. 2—and I would refer the member for Canberra to that budget paper—he would note that there are only 1,200 APS reductions. And unlike Labor, we are fully reinvesting those funds in Defence.

The numbers in the Defence budget statements take into account measures already imposed by the previous Labor government.

Ms Brodtmann interjecting—

Mr ROBERT: We are simply banking your cuts—we are on the Labor government's cuts. As of 22 May, there were 20,137 full-time; a reduction of 843. In 2014-15 there will be a further reduction of 600 from 20,300 full-time employees at the end of 2013-14, to a target of 19,700 full-time; and Defence is forecast to be 18,105 full-time. These reductions are made possible by continuing reforms to our business practice; in particular, the wider application of shared services. Reform within Defence is being implemented to ensure there are no reductions in critical service standards or capability, especially to defence members deployed on operations.

We are being up-front in our responsible reductions, as opposed to the 2,800 that were cut from Defence and on which your silence was deafening, member for Canberra, member for Batman and member for Richmond, who has just come in—my near neighbour. The silence was deafening.

The DEPUTY SPEAKER (Mrs Griggs): There being no further questions, the Federation Chamber will now consider the Veterans' Affairs segment of the Defence portfolio in accordance with the agreed order of consideration.

Mr ROBERT: The government has provided $12.3 billion for veterans in the 2014-15 budget, supporting around 310,000 veterans and dependants. It includes $6.7 billion for income support and compensation pensions and $5.5 billion for health services. Recognising the unique nature of military service, the 2014-15 budget provides funding to deliver the government's election commitment to index DFRB and DFRDB military superannuation pensions by movements in the better of the CPI, the male total average weekly earnings and the pension and beneficiary living cost index from 1 July for superannuants aged 55 or over.

Secondly, it restores funding to the Building Excellence in Support and Training program, providing an extra million dollars per year over the forward estimates. This funding was inexplicably cut by the former Labor government, and has been restored by this government. The $7.00 GP co-payment will not be applicable to Veterans' Affairs gold card and white card clients for those conditions covered. Fourthly, veterans eligible to access Veterans'
Pharmaceutical Reimbursement Scheme will be reimbursed for out-of-pocket pharmaceutical expenses arising from the one-off increase in the concessional pharmaceutical co-payment of 80 cents, and increase to the safety net thereafter.

The budget is certainly part of our economic action plan to build a strong, prosperous economy and a safe, secure future. Other measures include amendments to the backdating of the disability pension claim for the disability pension to paid on the date the claim is lodged for claims received on or after 1 January 2015, and backdating provisions for veterans' entitlements, like war widows. There will be an increase in the number of enhanced compliance program reviews per year from 12,000 to 20,000; these additional reviews are aimed at ensuring clients are receiving the level of income support they are entitled to, and will focus on clients who are at high risk of change to their circumstances.

DVA clients who have been in continuous receipt of incapacity payments for 12 months or more under the Safety, Rehabilitation and Compensation Act or the MRC of 2004, will undergo a specialist review to confirm whether their service related condition continues to impact their ability to work. Over a 2½-year period, around 500 clients with a single condition will be reviewed. And $6.9 million will be allocated towards a detailed business case and design for an interpretive centre in France, to ensure the sacrifice of Australians on the Western Front during the First World War is appropriately recognised. The health provider free indexation budget initiative between DVA and the Department of Health will align indexation arrangements between Medicare and DVA arrangements, and these measures will not change the current healthcare entitlements for gold and white card holders.

The Defence Service Homes Insurance scheme independent scoping study will consider options for the future management and options to the scheme, including advice from industry experts. In addition, other measures include the Repatriation Pharmaceutical Benefits Scheme, which will include new and amended listings, and updates to the Medicare benefits scheme will flow through to DVA automatically. There will be annual indexation of the income threshold for Commonwealth Seniors Health Card by the CPI that will occur from 20 September 2014; and from 1 July the Clean Energy Supplement will be known as the Energy Supplement, and the payment will no longer be indexed as, frankly, the carbon tax will be removed and will no longer contribute to price pressures.

Consistent with the government's pre-election commitment—and contrary, can I say, to the untruths peddled by the Labor opposition—no pensions will be cut in the budget. It is a very strong message, it is a very clear message: no pensions will be cut by the budget. From 17 July pensions will be indexed by CPI and will be continue to be indexed twice every year, March and September. It is worth recognising that the increase in pensions paid in March this year was an increase due to CPI. Further changes that were legislated to DFRDB and DFRDB military superannuants will continue beyond 2017 and will be unaffected by any other changes made to government pension payments. At the last election the government had a clearly defined policy agenda for veterans and their families. We will be implementing our commitments and we will be keeping faith with our veterans.

Mr FEENEY (Batman) (18:05): Our war veterans do not need to read Newspoll to know that this was a lousy budget. You have spoken in an earlier session around defence, Minister, about the virtue of not robbing Peter to pay Paul. Let us stick to that theme, because you have spoken virtuously about the government's policy with respect to DFRDB and the 59,000
persons that it affects. Let us now talk about the 280,000 people—the veterans, the war
widows and the orphans—who will be hit by this government's new indexation system
concerning pension cuts.

As you would be aware, there are now some 280,000 veterans and their families that are
going to be hit by this lower rate of pension indexation—280,000 veterans and their families
who were given no inkling that this catastrophe was coming down the road, because they have
just endured a budget of twisted priorities and a budget of broken promises. It is now
tragically plain to us that there has been a total of some $107 million ripped out of the
Department of Veterans' Affairs, $107 million ripped out from Labor's record budget of $12.5
billion in 2013-14—something we can now, sadly, look back on as a high point for the
budget, given the extraordinarily harsh treatment meted out to veterans and their families in
this budget.

Can you confirm, Minister, that the coalition has slashed $107 million from the Veterans'
Affairs budget? Further, can you confirm that the coalition is to slash some $65.1 million off
veterans' pensions by September 2017 by indexing these pensions only to CPI, making a
mockery of your earlier remarks concerning DFRDB? The current indexation system sees
these pensions increase by the best of three indexation systems. CPI does not on average
perform as well as these other indexation systems. That, of course, is something with which
you would be very familiar, given the fact that you have wandered Australia promoting your
DFRDB policy. How now can you explain your changed reasoning with respect to this
indexation decision—as I say, affecting some 280,000 Australians on veterans pensions and
some 310,350 veterans pension payments?

Mr ROBERT (Fadden—Assistant Minister for Defence) (18:08): Let me thank the
shadow minister for his questions. Let me first of all deal with the budget. The Veterans'
Affairs budget for this government this year was exactly the same as forecast by Labor—
exactly the same. Forget the hyperbole and the hypocrisy of a '$107 million' cut; it was
exactly the same. Secondly, where was Labor's 2013 election policy for veterans? That's right,
they didn't have one. So to come in here and lecture the coalition on veterans policies, when
Labor could not even be bothered to get off that couch in a drunken stupor and put together a
veterans' affairs policy is a long, long bow to draw.

Let me move onto the next point that the member for Batman, the shadow minister, raised
in terms of indexation—which is hilarious, because over the last six long years the
government voted down the coalition's legislative attempt to increase support for our veterans
three times. Labor believed that CPI was an appropriate measure and voted against our
moves. In fact, on 11 June, 2011, the member for Batman, who was then Senator Feeney,
voted against us in the other place. Clearly, hypocrisy knows no bounds.

In relation to the question, it is misleading to draw a direct comparison between the
treatment of superannuation schemes and pension schemes. In opposition, the government
campaigned to change the method of indexing DFRDB and DFRB superannuation schemes
because we were convinced the existing arrangements were unjust. We have delivered on that
commitment. We are proud of it. Those changes will not be taken away.

The government's position on military superannuation and pension reform is entirely
consistent. Superannuation schemes are limited to a set number of members who make
contributions from their salary and are entitled to draw on them. In the case of DFRDB, we
are talking about a declining number of eligible members, in most cases with a 20-year service entitlement. Pension schemes are entirely different, because eligibility is not circumscribed in the same way and because recipients do not make any specific contributions. The government's changes to the indexation of pensions are necessary to ensure the pension system remains sustainable in the medium to long term. Age and service pensions will continue to increase twice a year. Every March, every September they will go up and purchasing power will be maintained through indexation of the CPI. This change will bring indexation into line for all social security payments.

Let us have a look for the moment at what those opposite have said about the CPI. Apparently on their trip to Damascus, they have had a change, a blinding light. The member for Lingiari, the former minister for defence personnel and veterans' affairs said in this House on 17 June that the matter of CPI indexation was reviewed by Matthews in 2008. He came to the view it was an appropriate method of indexation—

Mr Griffin: Why isn't it now?

Mr ROBERT: And you, shadow minister, supported him. I see Mr Griffin, a former veterans' affairs minister, and you supported—sit down. The member for Brand—

Honourable members interjecting—

Mr ROBERT: No sir, I will not. The member for Brand went on to say—

Mr Griffin interjecting—

The DEPUTY SPEAKER (Mrs Griggs): The member for Bruce will take his seat.

Mr ROBERT: The member for Brand said military superannuation with its CPI link is guaranteed in real terms for life. Guaranteed in real terms for life, he says, and with the benefit paid to a surviving spouse for the term of their life, as it should be. Let us move on to Bob Carr, our favourite author at present, dear old Bob. Bob said on 27 June 2012—he was the foreign minister. And of course, foreign ministers are not a cigarette paper's width away from the views of the Prime Minister. That is how close they are. What did Labor's foreign minister say? 'The Australian government accepted the recommendation of an independent review that Australian government civilian and military superannuation pensions should continue to be indexed by the consumer price index.' So you have to give Labor points for seriously being crazy brave.

Honourable members: Chutzpah.

Mr ROBERT: The sheer temerity. The sheer chutzpah.

Mr Nikolic: Chutzpah.

Mr ROBERT: Chutzpah for the member for Bass. Chutzpah, which is a wonderful word Malcolm Turnbull once explained as someone killing their parents and then falling on the mercy of the court because they are an orphan. That is chutzpah. You have to give it to Labor for chutzpah, the sheer temerity with which they are now saying CPI is not appropriate. Yet they fought six years and voted against our bill three times, and here they are now saying CPI is not appropriate. Remarkable—simply remarkable.

The DEPUTY SPEAKER: I give the call to the member for Bass.

Mr ROBERT: Come on!
The DEPUTY SPEAKER: No, I have the final say. I give the call to the member for Bass.

Mr NIKOLIC (Bass) (18:13): Thank you, Madam Deputy Speaker—a wise choice. Minister, as you know I have a deep interest in veterans' issues. I thank you for your support and that of Minister Ronaldson for veterans in Tasmania. I look forward to your forthcoming visit to Bass, where I know that you will get a wonderful welcome from veterans who are grateful for the changes that we have made when it comes to veterans' policy.

Honourable members interjecting—

The DEPUTY SPEAKER (Mrs Griggs): I would like to hear what the member has to say, so I would like silence, please.

Mr NIKOLIC: Minister, this government took a policy for veterans to the last election. There were four pillars included in that veterans' policy. At the head of it was the recognition of the unique nature of military service. I think by any measure that is readily apparent when you look at the spectrum of conflict that our military has been involved in over the last 20 or 30 years. I recall when I first joined the Army. We were very focused on the defence of Australia. With that came the withering of land force capability. But what occurred over the next 20 or so years was an expansion of the sorts of things that we asked our Defence Force to do. This highlights the unique nature of that service. This includes everything from one end of the military spectrum—humanitarian assistance, disaster relief and response to things like Fukushima, Banda Aceh, flooding in Oro Province, bushfires in Victoria—right through to the other end of the military spectrum with high-intensity military conflict in places like Iraq and Afghanistan. The things that we ask our troops to do across that very broad spectrum are unique indeed. In my view it is absolutely appropriate that the unique nature of military service was one of those four pillars.

The second pillar is the retention of a stand-alone Department of Veterans' Affairs. The third pillar is about supporting veterans through adequate advocacy and welfare services. That transition from department-led to bureaucracy-led advocacy and welfare for our veterans is absolutely vital. I hear from veterans in my community that sometimes that is where we do not do as well as we would like; when people leave the warm, soft, comfortable bosom of the Department of Defence and move to the bureaucratic structures that are then responsible for them. We have to make sure that that transition is as seamless as it can be and that our veterans are indeed supported as they make that vital transition from uniform through to the Department of Veterans' Affairs.

The fourth vital pillar, which is particularly important from where I sit, is tackling mental health challenges for veterans and their families. I would like to focus on what this budget delivers in terms of the key policy priority of tackling these mental health challenges. I note that much good work has been done, but there is more that can and should be done. Military operations over the last decade or so have resulted in what can only be described as the latest cohort of veterans. Some 72,000 ADF members have been deployed since 1999. It was with a great sense of pride that I welcomed my daughter back at the end of last year from her second tour of Afghanistan. She is part of that latest cohort of 72,000 ADF members. She is the only one of my three children to follow me into the military, but one I am very proud of. She joins that cohort, and I want to make sure that she is looked after into the future should she have needs that arise from her Defence service.
Minister, can you outline new initiatives in the budget that relate to meeting the mental health needs of veterans into the future? I am particularly interested to note that eligibility for access to VVCS services has been expanded—including in northern Tasmania, where we have made that available across the north. It was previously centralised in one location; now it is available in two locations. Can you explain this change to eligibility, and which categories of people are now included who were not previously? In the context of improving mental health outcomes, how is DVA working together with the Department of Defence to help ADF personnel make that important transition from full-time military service to their civilian employment?

Mr ROBERT (Fadden—Assistant Minister for Defence) (18:17): I thank the member for Bass for his question. I acknowledge his distinguished service over more than 30 years. It is very refreshing to have a sensible voice speaking from Tasmania about real issues impacting people.

Without wishing to be overly technical, funding for treatment services, as mentioned by the member for Bass, is provided by DVA as set out in a range of legislation—including: the Veterans’ Entitlement Act; the Safety, Rehabilitation and Compensation Act 1988, SRCA; and the Military Rehabilitation and Compensation Act 2004, MRCA. This means if a treatment service is required it is funded with no limits placed on the amount that can be spent in any one year. The minister is determined that the Department of Veterans’ Affairs will continually improve the mental health services it has available, and he is determined to develop new approaches to meeting the mental health needs of veterans.

I would like to share that earlier this year the minister announced the establishment of the Prime Ministerial Advisory Council, with a renewed and particular focus on veterans’ mental health issues, particularly those relating to service post 1975. It is chaired by Vice Admiral Russ Crane, a man we know well, former Chief of Navy. Deputy Chair is Ben Roberts-Smith VC MG. Mr Ryan Stokes is another key member and continues the Stokes family’s long and unwavering commitment to the interests of veterans and their families. The new PMAC membership will also comprise experts in mental health matters, representatives of the Defence Force, the community and industry leaders.

DVA will spend around $166 million a year on mental health services for clients, including online mental health information and support, GP services, psychologists and social work services, specialist psychiatric services, pharmaceuticals, post traumatic stress disorder programs, and in-patient and outpatient treatment. It is important to stress that this number is demand-driven; it is not capped. It is about need. It is about taking care of our people. DVA has adopted new approaches to communicating with and providing support to these veterans by increasingly using a range of online methods—social media and mobile applications. The budget implements a range of initiatives focused on the mental health of our veterans, such as greater access to the VVCS for ex-members and their families.

Finally, I am exceptionally pleased to advise the House that the government has recently launched the $5 million Transition and Wellbeing Research Program, which is a significant new research program into mental health and wellbeing of contemporary service personnel and veterans. Defence will contribute $1.2 million and Veterans’ Affairs $3.8 million to this research program announced by the minister last Wednesday. It is the largest, most comprehensive program of study undertaken in Australia to understand the impact of military
service on the mental, physical and social health of serving and ex-serving personnel and their families who have deployed to our contemporary conflicts.

The program has three major study areas. The first two will be conducted by the Centre for Traumatic Stress Studies at the University of Adelaide and the third by the Australian Institute of Family Studies. The first study, the mental health and wellbeing transition study, will target both serving and ex-serving personnel to determine their mental, physical and social health status. The second study, the impact of combat study, will comprehensively follow up the mental, physical and neurocognitive health of those personnel deployed to the MEAO between 2010 and 2012. The third study, the family and wellbeing study, will investigate the impact of military service on the health and wellbeing of the families of serving and ex-serving personnel.

As the minister has said, the government is determined that we will not repeat the mistakes of the past. We are investigating in the research ways to better understand the services and support needed by younger veterans and their families. Importantly, this research will not wait years. As each part of the project is completed it will be released. DVA and Defence will work together very closely. Improvements in how we work together will be made every time there is an opportunity to make them. Through the combined funding of this project between DVA and Defence we will get a greater understanding of issues of contemporary service and we will be able to identify strategies to deal with them.

Mr GRIFFIN (Bruce) (18:21): I will probably take a fair chunk of my time because I am a bit concerned that I may get only one shot. I would like to address a couple of issues to the minister and a bit of the history, if you like, that has been blatantly misrepresented by many people in this chamber. We need to understand the history around indexation, which is—

Honourable members interjecting—

Mr GRIFFIN: Let's unpack it. Over a number of years the Howard government, through ministers like Nick Minchin, made it very clear that they were not prepared to change indexation around a number of different payments, particularly in relation to military superannuation and veterans' disability pensions. This issue occurred over quite a period of time. In the lead-up to the 2007 election the Labor opposition committed to changing indexation for veterans' disability pensions and this was actually undertaken in the shadow of the election by the Howard government. I note that they made the change in around September 2007. It was one of the last acts of the Howard government. Now here, just after they have been elected, at the first available opportunity they have announced that they are changing that indexation system back. That is the first point.

At that election the Labor Party committed to having a review post the election, which is known colloquially as the Matthews review. That was a review into Commonwealth superannuation indexation methodology. You might also remember, Minister, that around the same time there was the Harmer review into social security payments and into, if you like, safety net payments within the social security system and with respect to veterans. In that review it was made very clear that changes were made to raise payments and to adjust further the indexation methodology beyond MTAWL and putting in place PBLCI—

A division having been called in the House of Representatives—

Sitting suspended from 18:24 to 18:32
The DEPUTY SPEAKER (Mrs Griggs): We will let the member for Bruce finish quickly.

Mr GRIFFIN: Thank you. To recap briefly: Matthews was an inquiry into indexation methodology for Commonwealth superannuation. Harmer was a review of base income support payments—the payments people rely on to survive. These are the essential payments that are required to give people a chance to have a reasonable living standard. That inquiry at that time made it very clear that those payments ought to be indexed to MTAWE or CPI or PBLCI.

That is the difference; it is a very important difference. They basically date to the same time and they make a very clear point about why you would make a difference. The fact that the government had a commitment to index DFRB and DFRDB is recognised. It was not supported by us when we were in government as it was not supported by those opposite previously when their party was in government. However, when the legislation came through just a few weeks ago we supported it.

Then in the shadow of that, the government removed that level of what they called and characterised as 'fair indexation' away from everybody else. That is some 280,000 who will lose access to that fair indexation system at a cost that I believe has been estimated at something like $65.1 billion in the 10 months of the last year of the forward estimates, which would equate to something like more than $78 million over a full year at that start. And, as we know with these things, that would grow exponentially over time if anything like the past history of MTAWE versus CPI actually occurs.

That is why what the government has done is incredibly unfair, and I would love to hear what the rationale is. But to quote back to the opposition what was said about Commonwealth superannuation with respect to the review that was done by Matthews and to try and suggest that it is the same as base income support payments is ridiculous and, frankly, will not bear consideration and review within the court of public opinion. And believe me, Minister, this will be tested in the court of public opinion.

Minister, you have seen those campaigns run in the past, and you know the sort of impact that will have within the broader veteran community. The government really needs to get away from just saying, 'You said this,' about something which is not strictly the same, and actually justify taking so much money from so many in the veteran community—the very people whose payments, just a matter of weeks ago, they said ought to be treated as being special, and ought to be treated fairly.

Mr ROBERT (Fadden—Assistant Minister for Defence) (18:35): To conclude, let the record, and public opinion, show that Labor promised to index Defence pensions, and failed. They voted against coalition bills three times; the coalition took it to two elections and delivered it. We delivered on our promise; we implemented and indexed pensions. Labor hid behind its Matthews review; we stood up and were counted. Labor promised to do something, and then made a legacy of six years of doing nothing. We stood up for veterans. We indexed pensions appropriately; we made good on our promises, and history will show that in the court of public opinion.

Proposed expenditure agreed to.
Health Portfolio

Proposed expenditure, $7,752,154,000

Ms KING (Ballarat) (18:36): I thank the minister for being here, and the large number of department officials who are here, as well. Going firstly to the issue of hospital funding and the national partnerships, I refer particularly to the budget overview document that states that indexation arrangements for schools from 2018, and for hospitals from 2017-18, and removing funding guarantees for public hospitals, will achieve cumulative savings of over $80 billion by 2024-25. I want to ask whether the minister can confirm what component of that $80 billion of cumulative savings relates directly to public hospitals. Is it the $55 billion as stated by the Secretary of the Department of Health at Senate estimates on 2 June? Can the minister also confirm that no modelling was done on the effect that this reduction would have on the state's capacity to deliver services, and that states were not notified of these changes until the budget was handed down on 13 May of this year.

I also want to refer to details revealed in the New South Wales budget that was handed down today that the cuts to hospitals in New South Wales reflect a cut of at least a billion dollars over the next four years alone. In fact, if you include the cuts that were in MYEFO, it is more than $1.2 billion. I ask the minister to confirm the New South Wales government's assessment, as articulated in their budget handed down today, that the Commonwealth contribution to New South Wales health spending is in fact expected to halve. I ask the minister how many hospital bed closures this will result in. Does the minister know how many hospital beds this represents, and does the minister know what effect this will have on patients in New South Wales?

I also ask whether the minister can confirm that the number of category 3 patients presenting at emergency departments in New South Wales being seen within the recommended time of less than 30 minutes has been increasing. I ask whether the minister can confirm that hospitals are already struggling to meet demand; and to confirm that the billions of dollars of cuts will affect services.

I also want to refer the minister to comments made by the South Australian Minister for Health, Jack Snelling, that the scale of these cuts would mean South Australia having to close 595 hospital beds. That is more beds than are in the Flinders medical service, one of the major tertiary hospitals in Adelaide.

I also refer the minister to comments made by the president of the Australian Medical Association that the hospital cuts are going to lead to funding being a long way short of what they are going to need to meet the future demand, and that the states, particularly the smaller states, do not have the revenue to be able to cover state health budgets to meet the demands on our public hospital system. Can the minister confirm that this will inevitably mean that services will need to be cut and that the demand for services will not be met? I ask the minister to guarantee that there will be no bed closures because of these cuts. Can the minister guarantee there will not be shortages of doctors, nurses and other health workers because of the government's unilateral decision to cut $80 billion from health? Can he guarantee that progress on elective surgery waiting times and emergency departments will not be affected by these cuts?
Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (18:40): I thank the member for Ballarat for her questions. I am happy to take her questions and provide a little bit by way of tangible facts for the member’s consideration as opposed to some of the falsehoods that were presented in her arguments.

If I take her to BP No. 3 at page 11, New South Wales hospital funding in 2013-14 will be $4.247 billion. In 2014-15 the budget papers indicate that in New South Wales the amount will be $4.579 billion, an increase year to year of 7.8 per cent. In New South Wales in 2015-16 the figure will again increase to $5.034 billion; that is an increase of 9.9 per cent. In 2016-17 the figure will again increase to $5.522 billion, an increase from 2015-16 to 2016-17 of $9.7 billion. In 2017-18 the figure again will increase to $5.947 billion, an increase of 7.7 per cent. So, as the budget papers indicate in black and white, there is an increase year on year in New South Wales and, indeed, over the period of 2014-15 to 2017-18 the total transferred from the Commonwealth to the state of New South Wales is estimated to be over $21 billion.

In relation to Victoria, if I could again take the shadow minister to BP No. 3 at page 11, in 2013-14 the figure is estimated at $3.384 billion. In 2014-15 it goes up to $3.631 billion; so that is an increase of 7.3 per cent on that year. In 2015-16 the figure climbs to $3.932 billion, an increase on that year of 8.83 per cent. The following year it goes to $4.252 billion, an increase in that year of 8.1 per cent. And in Victoria in 2017-18 the total transfer from the Commonwealth to the states in relation to public hospital funding is $4.694 billion, an increase on that year of 10.4 per cent.

If you go through the rest of the states, Queensland, for argument’s sake, shows a 13 per cent increase next year, 9.8 per cent the year after, then 9.7 per cent and 2.7 per cent in 2017-18. Next year the hospital funding provided by the Commonwealth to the state of Western Australia goes up by 13.7 per cent, 11.5 per cent the year after, 11.3 per cent the year after that and so on. In Tasmania next year there will be an increase of 15 per cent, then 6.3 per cent and 6.2 per cent. All the figures are here in the budget papers in black and white.

I think what this demonstrates is that, yes, the Labor Party ran a scare campaign in the aftermath of the budget. That is their right to do. But at some stage the Labor Party will have to come up with an explanation about how they are going to pay the debt that they racked up over six years and yet still continue to fund public hospitals. There is a lot of rhetoric that will come from those opposite but the reality is, as I have pointed to in the budget papers, that the hospital funding provided by the Commonwealth to the states and territories, on average over the course of the next three years, goes up nine per cent, nine per cent and nine per cent, and in year 4 it goes up about 6½ per cent.

The figures that the member for Ballarat spoke of in her question are about this monopoly money that was in the out years. I do not want to go into too much of a history lesson, but I just ask people to cast their minds back only a couple of years to when Julia Gillard took over the prime ministership from Kevin Rudd. Julia Gillard promised that she would stop the boats—that she would fix up the issue in relation to the borders; Julia Gillard promised she would address the issue of climate change, which had been a real difficulty for the Labor Party; and she promised that she would seal the deal that Kevin Rudd had started to negotiate but not successfully finalised with the states. The then Prime Minister Gillard found that it was not as easy as she first thought. What happened was that this crazy monopoly money was put into the future figures. It was never, ever going to be realised by any Labor government
had they won the last election. The fact is that this government was elected to clean up Labor's mess. Clean it up we will, but in doing that we provide, as we promised at the election, an increase in the amount of money that we will put into public hospitals into the portfolio overall otherwise. It is a commitment we have made and it is a commitment we will keep.

The DEPUTY SPEAKER (Mrs Griggs): I call the member for Swan.

Ms King: On a point of order.

The DEPUTY SPEAKER: I call the member for Swan!

Ms King: Point of order.

The DEPUTY SPEAKER: No, there is no point of order. I have the final say. Sit down, Member for Ballarat!

Ms King: Point of order.

The DEPUTY SPEAKER: Member for Ballarat!

Ms King: Point of order. You have to take a point of order when I call one.

The DEPUTY SPEAKER: I don't think there is a point of order.

Ms King: I haven't even stated what the point of order is yet, so I am not sure how you can rule that, Deputy Speaker.

The DEPUTY SPEAKER: What is your point of order?

Ms King: My point of order is that it has always, always been the protocol of this place—

The DEPUTY SPEAKER: No, Member for Ballarat—we have had this earlier today. The member for Ballarat does not have the call. The member for Swan has the call. I have the final say. There is no point of order!

Mr IRONS (Swan) (18:46): My question to the minister will be in relation to medical research, but before that I would like to talk to the minister about health and medical issues within my electorate of Swan in Western Australia. I do remember when the minister was the shadow minister for health and he was the only person I saw from any area of the shadow ministry or government ministry who came to my electorate and visited the South Perth community hospital, a prime example of a small community hospital that had their own board and was very effective in the outcomes of the delivery of health services to the local community. I thank the minister for his time coming to visit Swan at that particular time.

In regard to the question I have for the minister I just want to put it in some context and talk about some proposals for medical teaching in the electorate of Swan, partnerships that can be created between research institutions, teaching institutions and hospitals through research. Even though we do not have a major hospital in Swan, we have a major hospital that services a lot of people in Swan, particularly Belmont, which is the Royal Perth Hospital. That services a lot of people particularly from the lower SES area of Belmont, which is probably the second-lowest SES area in the whole state. I also want to mention medical research in the context of cancer and skin cancers, about which we are currently running an inquiry into through the House of Representatives health committee.

In regard to medical teaching in the electorate of Swan, I know that the minister is aware that Curtin University has put in a proposal to establish a medical school for teaching. I know
you have been to Curtin University and you have met with them. Also Senator Alan Eggleston, senator for Western Australia, and I have had numerous meetings with people from Curtin University and also in regards to strong support from within the community to have a medical school established for teaching at Curtin University. The proposal is unique, because it deals with a lot of Indigenous health problems as well in the northern part of Western Australia. I know no decision has been made as yet, but if the school was approved it would create medical services in teaching, practising and research hubs particularly in Bentley, which would become a town. There is a proposal for a town of Curtin which would be housed around the university which would probably house about 40,000 people. So it would be a great allied health area at Curtin University. It would be linked with the Biosciences Research Precinct at Curtin University, the Bentley Hospital, and also potentially a new private hospital on Curtin University campus down the track at some stage in the future. This hub would thrive on medical research and that is where we come back to the question, and any national Medical Research Future Fund would be extremely welcome, particularly if there was an establishment of that type of facility in my electorate of Swan, particularly at Curtin University.

The Bentley Hospital is at the heart of my electorate of Swan, another area of low SES. Bentley Health Services offer general health programs. They have acute medical, surgical, aged care, rehabilitation, maternity, general and specialist outpatient services, and a day therapy unit. They also have a very good mental health program and an acute adult psychogeriatric unit, including a day hospital and community mental health services. The child and adolescent mental health service is an excellent area for in-patient care for adolescents and a residential program for children supported by an outreach program to the community. There is also a community health program, which includes maternal child health, school health and various community health sub-programs and centres throughout the catchment area.

Minister, we ran a local campaign to save the maternity service from an earlier Labor decision to scrap it. That was back under the previous state government. The obstetrics unit will now be reviewed after the opening of the Fiona Stanley Hospital. Back in 2011 we had the local Minister for Health, Kim Hames, out to assure the people in the Bentley area and the staff at the Bentley hospital that it would be reviewed in 2014, as promised and, if retention is justified by usage, that service will be retained. There are opportunities for partnerships between medical research institutions, teaching institutions and hospitals.

A world-class health system needs to be on the cutting edge of innovation technology and clinical breakthroughs. Can the minister please advise how measures in the budget will make long-term investments in Australia's health system?

The DEPUTY SPEAKER (Mrs Griggs): I am sorry, Minister. The member for Ballarat was actually on her feet before you.

Ms KING (Ballarat) (18:51): I do recognise the convention has always been that it be—

The DEPUTY SPEAKER: Member for Ballarat, there is no standing order. If you want to carry on then I will give the call to someone else.

Ms KING: I refer the minister to an appearance on Q&A on 21 February 2013 when Tony Jones asked him, 'Can you guarantee to spend the same amount that Labor is projecting it will
Tuesday, 17 June 2014

The minister at that stage said, 'Yes, yes, I can guarantee that.' I also refer the minister to his own health policy document where he states that the coalition government will commit to 50 per cent of the efficient price, which he now seems to have reneged on. I particularly want to refer again to the government's intention to cut $80 billion from public hospitals and education. Page 126 of budget paper 2 states:

From 2017-18, the Commonwealth will index its contribution to hospitals funding by a combination of the Consumer Price Index and population growth.

I refer to the fact that the Australian healthcare agreements in 1998 and in 2003 and the agreement Labor negotiated in 2011 included a factor above population growth to account for new technologies—in particular to fund procedures where there was formerly no hospital treatment. Can the minister confirm that no such provision exists in the government's proposed funding arrangements and that these arrangements reflect the lowest level of funding for public hospitals since Federation? Can the minister confirm whether the proposed formula for hospital funding is age-sex weighted? Can the minister confirm that health cuts are now growing at a greater rate than CPI—so the changes proposed in fact represent very real cuts to the system and that these cuts start on 1 July? Is the South Australian Premier correct when he says that the $80 billion being cut from health and education represents a cut of 600 hospital beds in that state? Does the minister agree that this reflects closing every bed at one of the state's major teaching hospitals?

I also refer to comments by the minister at the Press Club on 28 May that over the course of the last couple of years the hospitals in some states overstate their activity and that, when you dig a little deeper into what is happening in hospitals, they are receiving money for not seeing patients. I ask what evidence the minister relied on for making that statement and what evidence there is that this is actually happening. If the minister does have this evidence, then I ask what action the minister is taking to ensure that individual hospitals that are responsible for this overstatement are being pursued. Further, can the minister confirm that the cuts to hospitals factored into the forward estimates are the equivalent of cutting some 2,400 hospital beds in New South Wales and more than 1,800 beds in Victoria?

I also ask: can the minister confirm that the cuts in his budget across the country are the equivalent of cutting nearly 6,000 hospital beds? Given the minister wanted to quote some figures, I will quote some myself. Can the minister confirm that in New South Wales in 2014-15 the cut is $237.8 million, in 2015-16 it is $260.2 million, in 2016-17 it is $295.3 billion, and in 2017-18 it is $366.4 billion. In Victoria in 2014-15 the cut is $129.2 million, in 2015-16 it is $217.6 million, in 2016-17 it is $324.7 million, and in 2017-18 it is $289.2 million. In Queensland in 2014-15 the cut is $33.6 million, in 2015-16 it is $15 million, in 2016-17 it is $65 million, and in 2017-18 it is $235 million. I could go on in terms of each of the states and territories. Tasmania in particular overall, if you include the MYEFO cuts, loses some $49.3 million out of the Tasmanian health system. Given the minister claimed increases, perhaps he can now confirm those cuts in the forward estimates.

Mr BUCHHOLZ (Wright—Government Whip) (18:56): My question goes to the minister who has auspices over the Sports portfolio. Like the minister, as Queenslanders we have an intrinsic love of sport. Sport is as much a part of our identity and culture as are mangoes and the scent of Wally Lewis! Sport is one of those unique functions in our community that has the ability to bind communities together. It has the capacity to bind

FEDERATION CHAMBER
nations together. On a more global scale, when you look at the Olympic Games or the Commonwealth Games, sport in its entirety has the capacity to cut through religious beliefs, where they are put aside, and it has the capacity to cut through political ideologies, whether they be the most radical parallels or juxtaposed positions. Sport is a common denominator that can bring communities from around the world together to unite on a single stage to compete for a solid goal.

In my community, sport is one of the magnets that holds a community together, whether it is the juniors at a swimming club or, more relevant in my area, a local pony club where people will travel for kilometres to attend, whether it is the emerging success of soccer, rugby league or AFL, or whether it is the State of Origin. It is the eve of the State of Origin. I think the Queenslanders have won seven series and we are going for eight. Tomorrow is the decider. There is the Melbourne Cup which stops the nation. Sport is one of those binding agents in a community which brings us all together.

In Queensland we are proud of some of the sporting success stories that we have: Susie O'Neill, Kieren Perkins and Grant Hackett; in generations before, Greg Norman, Pat Rafter and Allan Border. The list is endless. More local to my electorate, I am proud to say that Cathy Freeman, Adam Scott and Jason Day all attended Kooralbyn International School and Hills International School within my electorate. It is always wonderful to receive those personalities back in the electorate and it does electrify the youth of my community.

Sport and participation in community sports groups is a significant part of life in my electorate. Evidence of this is the number of clubs and individuals who apply for the local sporting heroes grants through my office. It is a great boost when a kid picks up an extra 500 bucks or a sporting group picks up a couple of thousand dollars. As a community, we get behind those groups and give them a little leg up to be able to compete on a stage when they may not have had the capacity themselves.

Closer to home, not too far from my community, just bordering up to me at Mudgeeraba, in 2018 we will have the great privilege of hosting the Commonwealth Games. Not only will it mean an unprecedented amount of international attention for the Gold Coast; it is a region that will inspire young athletes from my electorate to strive towards competing at that games in four years time. The commercial benefit that will flow from that will be enormous not only in my electorate but also right throughout Queensland and the nation.

The Commonwealth Games are an iconic event on the sporting calendar, coming around every four years in unison with the Olympics. The Commonwealth Games will bring a host of celebrities to the Gold Coast, where they will be treated to some sights that will make us as a nation proud.

But to the point: Minister, could you outline to the House the government's commitment to the Gold Coast Commonwealth Games and how as a federal government we will be doing everything in our power to host those identities and ensure that their stay here in Australia is a most memorable one?

Ms KING (Ballarat) (19:01): I thank the minister for recognising the convention; it is very good of him to do so. I want briefly to ask you a question about the Independent Hospital Pricing Authority and particularly what commitment the government can give that it is continuing, despite the fact of its changes in the budget, to progress activity based funding
and the efficient price for hospital activity and to seek a guarantee in commitment, because that was a very significant and important part of health and hospitals reform in gaining efficiencies in public hospitals. But I particularly want to turn to the government's decision to introduce a GP tax—I know the minister will take some contention with that, but I will call it a GP tax—on GP visits. Can you explain why, if the measure is about making Medicare sustainable, not all of the money the government is raising from this revenue measure taxing sick and poor Australians is going back directly into Medicare benefits services?

I also ask if the minister can confirm evidence that was provided by officials from his department during Senate estimates that no modelling has been done on the effect this tax will have on emergency departments and that no consideration was given to the effect it will have on patients with a chronic disease, many of whom already have difficulties seeing their GP because of high out-of-pocket costs. Can the minister confirm that the GP tax applies to pensioners, that it applies to Australians with a disability, that it also applies to children, that it applies to people with chronic disease and that it applies to residents of aged-care facilities?

I specifically refer to comments by the President of the Royal Australian College of General Practitioners that the GP tax could force GPs to retire:

Given 41 per cent of GPs in urban areas are over 55 anyway, these guys are probably more like 60-plus, and so they, I think that if you squeeze them... or require them to go through a lot of change in order for them to be able to continue to provide a service then they'll just choose retirement.

Has the minister factored retirements into his policy?

I also ask whether the minister in fact consulted with the College of General Practitioners, with the Australian Medical Association, with the Consumers Health Forum, with the Australian Healthcare & Hospitals Association or with the Public Health Association of Australia before taking the decision to introduce the GP tax. I also want to ask some questions about the changes to diagnostic imaging and ask the minister to confirm the changes to indexation and the plans to introduce taxes on GP visits, diagnostic imaging and pathology services out of hospital, which could see upfront out-of-pocket costs of more than $800 for a cancer staging CT scan; that a PET scan for diseases like epilepsy, heart disease, detecting and diagnosing cancer and Alzheimer's disease will cost up to $1,000; and that an MRI scan would cost up to $500 out of pocket up front that people will have to pay. I ask the minister to confirm that these same out-of-pocket costs will apply to people who are currently bulk-billed? And does the minister agree that these costs will be prohibitive to many of the people who are bulk-billed at present? Can the minister advise whether the government has given any consideration to how many patients will avoid diagnostic imaging because they simply cannot afford it because of this government's changes?

I also ask the minister to confirm if he can guarantee that the current level of bulk-billing in Australia will continue under the changes he proposes in imposing a GP tax? And can the minister confirm whether medical GPs, as they have said to me, may end up having to cross-subsidise within their medical practices—they may use those patients who they do already charge a GP fee to to cross-subsidise and in fact increase the fees that they are currently charging those patients?

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (19:06): Firstly, can I say thank you very much to the member for Swan for his contribution and I acknowledge the work that he does on the health and ageing committee. He has a great interest in health
and his contribution earlier was reflective of that. As he pointed out, I have visited his electorate and we are very cognisant of the fact that in this portfolio we spend about $65 billion a year, and if the member for Swan had his way every dollar would be spent in his electorate! That includes the money that we spend in the sport portfolio—about $350 million. He would lay claim to each and every one of those dollars as well!

Yes, we want to provide extra support to Swan, and we will do that. I recognise, in particular, the grassroots support that he provides to many of those health services within his electorate. The substantive part of his question was in relation to medical research, and I am particularly proud of the decision that the Prime Minister, the Treasurer, the finance minister and I took in relation to the Medical Research Future Fund. The most significant part of that Medical Research Future Fund is that the $20 billion will be capital protected so that any future Labor government cannot spend that capital down.

Why is that important? Because we know that over the course of the last few years when Labor spent at will and ran up debt, which is always their wont, they ran into a situation where they spent the money out of the Higher Education Investment Fund, they spent money that was to go into the Health and Hospitals Fund and they spent every dollar of capital. The idea was that we could live off that capital and that the earnings off that capital could be spent to rehabilitate and to provide extra support for infrastructure, on the one hand in relation to higher education facilities and on the other in relation to hospital and health assets around the country. But Labor spent down every dollar. So that is why it is particularly important that we protect the $20 billion, and from 2015-16 we will draw down earnings from that fund as it continues to grow. It will achieve its $20 billion by 2022-23, but from 2015-16 we will draw down about $20 million in that first year. It will ramp up to about a billion dollars at its peak, and that is significant.

It is significant because it will help us address many of the conditions which worry Australians as we age: diseases of the brain, which cause all of this significant concern—particularly when you see people within your own communities and within your own families suffering from dementia, Alzheimer's and the like. By 2050, 7½ thousand Australians will be diagnosed with dementia or Alzheimer's every week. That is why it is important for us to double effectively the amount of money we are putting into medical research, not only so that we can try and strive towards those cures which the member for Swan spoke of earlier but also so that we can look at additional ways in which we can provide care. Care models are a very important way of how medicine will be practised and how payment models will operate into the coming years, and those are at the centre of the government's objectives as well.

So I very much thank the member for Swan. As he knows, there is of course a significant economic benefit from medical research. The McKeon review, as it reported to the previous government, said that a dollar invested into medical research will return $2.17, which is really why it is unbelievable that Labor in 2011 tried to take $400 million out of medical research.

Can I also thank the honourable member for Wright for his patriotic contribution. He is a very proud Queenslander, as am I. We will be successful tomorrow night, as history has shown—Mr Deputy Speaker, I know you would allow great indulgence on this topic, perhaps for us to talk for an hour on the virtues of why Queensland will win tomorrow night, but we will leave that for another time.
The $156 million we contributed to the Commonwealth Games on the Gold Coast will be very significant. It will be significant because we can provide support to those emerging athletes, and we will host a world-class games. The legacy assets will be particularly important to the Commonwealth, so we can provide support for future growth and increase participation right across sports on the Gold Coast, in the hinterland, in the electorate of Wright and well and truly beyond that. So I thank the member for Wright for his contribution.

In response to the member for Ballarat's contribution, I can say that I reject most of the figures put forward by the member for Ballarat. I am sorry that the scare campaign continues. It is more reflective on the opposition than it is on the government.

The DEPUTY SPEAKER (Mr Ewen Jones): I call the member for Solomon.

Ms King: Mr Acting Deputy Speaker, I rise on a point of order. I understand the person in the chair previously was not prepared to respect the conventional five a side, but that has been a very longstanding convention in this place. I have been in the position that the minister is in—

The DEPUTY SPEAKER: I have ruled that the member for Solomon had the jump—

Ms King: I think that it is out of order. I do understand the member was—

The DEPUTY SPEAKER: You have had your say. Sit down please. I call the member for Solomon.

Mrs GRIGGS (Solomon) (19:11): My electorate of Solomon has a great community spirit and as a result has a thriving sports community. In Darwin and Palmerston, one can participate in almost every single sport imaginable; from calisthenics to cricket, from BMX-riding to badminton. Darwin and Palmerston certainly has it all. It is probably the only capital city in the country where AFL and NRL are given pretty much equal status. In fact, I know of people who have come to Darwin as committed Australian Rules fans and have developed a strong interest in rugby league.

An honourable member interjecting—

Mrs GRIGGS: I am not kidding! There is a strong soccer competition. Cricket is played at a high standard, with top-shelf southern players coming to compete in the Darwin and District Cricket Association during their winter. Hockey has produced a number of champions; one of whom is in the other place.

The coalition has already shown significant commitment to sports in my electorate by guaranteeing my election commitments in the federal budget. I spent a lot of time in opposition advocating for small community organisations in my electorate, and many of them are local sporting clubs. Now the coalition is in government, I am thrilled that we are taking the physical and mental health of Australians seriously and providing a variety of sporting opportunities to our youth and adults. A healthy constituency means getting out and about and exercising in the electorate. We recognise that local sports are an important aspect of the Top End community. Community sport organisations encourage a healthy and active lifestyle for children and adults.

In the coming months Jingili BMX will officially open their new all-weather track for the first time. This is a great opportunity for Territory BMX riders to be able to hone their skills all year round, without being put off by the annual wet season. This allows BMX riders in the
Territory to train at the same level of their interstate competitors. The coalition provided $1.5 million worth of funding to ensure that this project was finally delivered. Unfortunately, in true Labor style, the money was promised a long time ago but the Labor government never actioned it until four weeks out from the election.

The Berrimah Riding Club is another great local organisation in my electorate. It will be receiving about $5,000 to construct a shade structure over their horse-wash bays. Not only does the funding benefit Berrimah Riding Club; it also assists every other equestrian organisation that uses the Robbie Robbins Reserve facilities.

South Darwin Rugby League Club will receive $99,000 for much-needed upgrades to Warren Park, where a majority of the Northern Territory junior rugby league games are held on Saturday mornings. Upgrades to the park will include installation of a demountable for officials, a roller door upgrade, construction and installation of removable shade structures, plumbing repairs, irrigation upgrades and preparation of field lights. In addition, the Palmerston Football Club will receive $8,700 towards construction of new locker rooms for players and there will be $13,000 for the purchase of 15 internationally certified table tennis tables for competition.

Minister, could you tell me about the sporting schools initiative announced in the recent Commonwealth budget and how this program will see more than a third of Australian primary school children participating in sports in the school environment? I have some information about this and I have spoken to some schools in my electorate who were very excited about it. Could you use this opportunity to elaborate so I can provide them with further information about the opportunities for them to access some of this money? I would be very grateful for that, Minister.

Mr STEPHEN JONES (Throsby) (19:15): I want to turn the conversation to issues concerning rural and regional health. I am surprised that some of the members of the National Party that have stood and asked the minister questions have not taken the opportunity to raise these issues. If you look at regional health outcomes and compare those outcomes and the availability of primary care services for people in regional and rural Australia with those for people in metropolitan areas, there is a vast gap that needs to be closed. I am deeply concerned that this budget seems to have a blind spot for regional and rural Australia—a place where people are 30 per cent more likely to have diabetes and 20 to 30 per cent more likely to develop melanoma, where communities are 20 to 30 per cent more likely to have had men commit suicide because of mental health issues and where people are 20 to 30 per cent more likely to suffer from arthritis.

Against this background, you would be very cautious about implementing policy changes that are going to have an adverse impact on access to or cost of primary care services or even access to hospitals in regional and rural Australia. But when we look at the foundations of this policy we can see it has been built on anything but caution. We saw the hand-picked head of the audit commission being asked the basis for the new GP tax. He claimed, falsely, that the basis for the new GP tax was that Australians were visiting a doctor on average 11 times a year. You would have thought if your job was to have access to all the information and to go through it in fine detail that you would look at the right column. That is not a big ask. He should have known that the true figure is six or seven times a year, not 11 times a year. Yet that is the basis on which the GP tax is being introduced.
The Treasurer is fond of dividing the world up into leaners and lifters. When you look at the impact of this budget on regional and rural Australia you can see that the government is the one doing the leaning—on the wallets of people in regional Australia. Somewhere in the order of $1.4 billion will be taken out of the wallets of health consumers in regional Australia because of the operation of the GP tax. So I have to ask the minister: how is this going to improve access to health services for people in rural and regional Australia? The Rural Doctors Association has told us that rural people are some of the poorest in Australia, with some of the lowest incomes in Australia, and the AMA has told us that the GP tax is going to discourage people from going to the doctor. So you have to ask yourself: how is this going to improve health outcomes in rural and regional Australia?

I said earlier that I was surprised that members of the National Party have not asked questions of the minister in relation to the impact on rural and regional Australia. I am looking at the National Party health policy—I have it in front of me—which say, and this is very important:
The Nationals will provide increased financial support for doctors who provide health services in rural and remote communities, through increased Medicare rebates and scheduled fees …
That is a direct quote from the National Party's policy statement that they took to the election. So the question I expect one of the National Party members who are in the chamber today representing rural and regional Australia to answer is: why has their government and their minister breached this promise? Why have they not done what they promised to do? That is a series of questions, and I expect National Party members to follow up on this issue. I also expect them to answer: when you had a policy that said that the minister for rural and regional health would be in the room when all the big decisions were made, how come she was not? How come she was excluded from the biggest health decision the government is going to make in this term? Why was she excluded from this decision? And can the minister explain the impact that this will have on rural and regional Australia?

Ms KING (Ballarat) (19:21): I want to particularly go to the government's decision to establish the Medical Research Future Fund. I do want to very clearly put on the record Labor's commitment to medical research and remind people of the investment that we made in many of the medical research facilities that the minister is now visiting. I refer to the government's intention to establish this fund. I refer to evidence provided by officials from the minister's department at Senate estimates on 2 June 2014 that the department became aware of the government's intention to establish the fund probably some time in April. Can the minister confirm that instructions to the Department of Health to establish this fund and notification to the department of the government's intention around this fund were given in April? And, if so, when in April—was it the first week or the last week? If the minister cannot recall the precise date, can the minister confirm that instructions were not given in the last week of April?

I also refer to evidence provided at Senate estimates that the Chief Scientist for Australia and the National Health and Medical Research Council were not consulted on the fund. Can the minister guarantee that they are now being consulted on the fund and that there will be the opportunity for broader consultation on the development of the fund beyond just those two?

I also refer specifically to the minister's statements around medical research funding and the money that he anticipates will be distributed for medical research out of this fund. Minister, can you guarantee that the government's intention is that the NHMRC grant and
fellowship funding will continue to grow at its current rate—specifically, that there will be no reduction in NHMRC funding as the Medical Research Future Fund starts to also fund medical research?

Can the minister guarantee that all health and medical research will be supported through this fund, including research on preventative programs? The minister may be aware—as I am aware through a number of meetings I am having with people in the medical research community as well as in the health professional community—that there has been a disconnect between what was said on budget night in the health briefing to stakeholders and what the minister has subsequently said. There is a substantial level of anxiety and confusion about preventative health research, around translational research and around the elements of his medical research fund. I particularly note the important funding for prevention programs being provided following the government's decision to cut nearly $370 million from preventative health by walking away from the national partnership agreement on preventive health and the very important research work in prevention that the Australian National Preventive Health Agency was responsible for. I ask the minister to guarantee that continued level of funding for preventative health research.

Can the minister also guarantee that the fund will provide support for translational research? Can the minister advise whether the fund will provide any support for research that supports medical research, such as support for physicians and mathematicians, given the very substantial cuts that have been made to research funding and science funding in other areas outside of the health portfolio?

I also ask whether the fund will support the costs associated with conducting research at research institutes outside of hospitals. I know the minister will be aware of the issue around the administrative costs associated with research and I ask whether any consideration has been given to ensuring the infrastructure and administrative costs of supporting medical research are also resourced. I note again that the government has cut significant amounts of money out of the CSIRO, the Australian Research Council and the CRC programs, including six that are directly related to the health portfolio. Does the minister acknowledge that these cuts will have a significant impact on health and medical research?

Dr GILLESPIE (Lyne) (19:26): As I am sure the minister is aware, the electorate of Lyne has many large medical centres. Port Macquarie is quite unique in that it is a tertiary referral centre in a regional centre. It is rather like we see in big cities. But that has not happened overnight. That has happened because there has been a lot of growth in general practice, which has then in turn drawn a lot of retirees into the area and that has then led to a huge population needing specialist medical care.

At the core of our health system we have the general practitioner. That is probably the most cost-effective way of delivering health care. Professional judgement and self-assessment of the rationing of prescriptions, investigations and the like add up to the best way to make sure that taxpayers' dollars are being spent well. A well-trained and widely experienced general practitioner can deliver huge preventative health benefits for the patient and also benefits for the taxpayer.

As you all remember, the people on the other side the chamber a few years ago started the GP superclinics program. My electorate had one of these and it got grants of up to $7 million. The only problem is that it was about 3.5 years ago that they got the grant and it still is not
open. It is still a construction site. In their wisdom, they bought a building that had asbestos in it. They have got doctors in town, but none of them are working in it. I was just wondering if the minister could give me some idea what initiatives we in government have put forward in the budget for general practice training, education and infrastructure for general practitioners.

Mr LAUNDY (Reid) (19:28): As you know and as I know the minister knows, I was elected only in September. My background is not political. Unlike those opposite and a lot of those around me, while I was lucky enough to go to university, I did not join Young Liberal or Young Labor. I left university and started working at my father's business, as the third generation of my family to do so. I did not join an industry association or a union. I did not become a political staffer. I did not move to an area where there was a safe seat to be won. I got on, raised my kids and worked in my father's business.

I want to thank those sitting opposite because two years ago they inspired me. For 41 years I sat on the sidelines and did not get involved. They inspired me to get involved. For 41 years I took on bank debt, I backed myself and I employed people. When I left my father, we had a big family business—one I am very proud to have played some small part in. But what I learned from my father is that budgets are worth the paper they are written on. They are a guide. And if those opposite can find me a bank that will lend on a budget, I would love to find out what it is so I could tell my father and he could go to a bank and get a loan.

What we deal with in business is actuals and historicals, not forecasts—they can be made to look like what you want them to look like. And those opposite inspired me in a very clear way. We are here to talk about health tonight, and in 2007-08 the health budget was $40 billion. In 2013-14, under their hand, not ours, it was $64.5 billion. That is a 45 per cent increase in six years. They are historicals, and they are actuals. Forget the argument about PEFO, MYEFO, or any EFOs they want. They can argue till they are blue in the face but they are historicals and they own them. But here is the kicker: I got into politics for the sake of my kids and my grandkids. And, as I said, those opposite inspired me because under their stewardship I did not know what this country would look like for my kids and my grandkids. It is fair to say, after 41 years of sitting on the sidelines, I thought they were doing a pretty ordinary job. And those figures would indicate that: they are quite clearly not sustainable.

The minister finds himself in the situation where he has to do something, because it is not sustainable. And every day as I sit in that chamber—the green one—I sit and listen to barbs from the other side such as from the member for Wakefield. I keep going to historicals because in business you live and die by numbers. The other day the member for Wakefield yelled, 'That's what the Medicare levy is for,' as the minister spoke. This year Medicare will cost $21 billion and the Medicare levy will raise $10 billion. We will raise $164 billion in income tax. If we were to increase the Medicare levy for just this year alone to cover the shortfall, it would mean a 6.25 per cent increase just this year—that is the bad news. It had to increase every year in the forward estimates.

But here is the kicker of what those opposite did. It is a standard convention that you budget for four years—this year and three forward estimate years. Those opposite were so inept and so incompetent and so not wanting any scrutiny that they went outside the four-year convention—an electoral cycle is three—and went to 10 years. I heard the member for Ballarat so eloquently reel off years 5, 6, 7, 8, 9 and 10, but guess what? That is not how the system works, and they know it. It was a fraud; it was a con to get re-elected. The electorate
saw through it, and it is now our job to dispel that myth. This is quite clearly unsustainable. I applaud the minister for the steps he is taking to make it sustainable for the sake of my kids and my grandkids, who are the drivers for what I do.

My question to the minister at the end of that amble is: with growing demand for health and hospital services in my electorate—and it is most aptly served by Concord Hospital—given the incompetence and the mismanagement we endured for six years, can the minister update the House on the government's approach to improving links between primary care and hospitals to help improve the sustainability of the health system and give my kids and grandkids the chance to use it at some stage in the future?

Ms KING (Ballarat) (19:33): I note the contribution from the previous speaker and look forward to seeing him campaigning in the seat of Reid, as I will be, on the substantial cuts to his area health service. And every time there is a bed closure or an emergency department time that blows out and people cannot access elective surgery in his electorate, I will remind him of the words he just spoke. I particularly want to speak about Medicare Locals. I note the contribution from someone who in fact represents one of the poorest communities in this country and I find it incredibly disappointing that he is not standing up for his community when it comes to the healthcare needs of some of the most vulnerable people in Tasmania.

I refer to a briefing to Medicare Locals last Friday by the staff of Deloittes, who conducted a component of the review of Medicare Locals on behalf of Professor John Horvath. I understand that that was a very open briefing and that a number of matters that Deloittes examined during their look at Medicare Locals—a very small number of Medicare Locals—was broadly discussed. I ask the minister: can he confirm that it was in fact a mandatory component of the review conducted by Deloitte that the number of Medicare locals be reduced? To clear up any confusion on this point, will the minister release publicly the Deloitte report?

Of course we know that before the last election, on 28 August under pressure during the last leaders debate, the Prime Minister said, 'We are not shutting any Medicare Locals.' That is a clear statement he made quite a few times towards the end of the election campaign. Can the minister now confirm that in fact every single Medicare Local is to close and that this promise by the Prime Minister before the election will not be honoured? When was the decision to shut Medicare Locals made? Can the minister in fact confirm the decision to reduce the number of Medicare Locals was a predetermined outcome of his review? Can the minister confirm that the cost of transitioning to the far smaller numbers of primary healthcare networks is now being absorbed by Medicare Locals across the country, that this in particular is affecting services like GP training programs, immunisation programs and family violence programs delivered or contracted for from those Medicare Locals?

We know that Medicare Locals across the country were given their budget. I understand Victoria was given theirs last Friday and Queensland, New South Wales and other states are now also reporting those budgets. Many of them have now been informed that they have had a significant cut to their funding—in some instances, from 10 per cent to 20 per cent of their funding. What we are seeing with Medicare Locals as a result of that is that that budget cut, they are being told, is to pay for bureaucracy to support a tender process in order to support the government's broken promise to close Medicare Locals. A number of frontline service staff have been dismissed and told that they have lost their jobs in the last two weeks. I note
there was someone who contacted my office—a nurse of some 35 years—who in fact had actually not been unemployed for the last 35 years and has now lost her job at a Medicare Local. Can the minister tell the chamber how many staff at Medicare Locals have lost their jobs since the government's budget and how many more will lose their jobs as a result of the government's decision to close all Medicare Locals?

I note that there are reports that the minister has asked senior department officials to explore ways that costs of GP visits in particular could be covered by private health insurers, and I may come back to that point, but in relation to Medicare Locals I want to know what discussions he has had with private health insurers around the contracts and tenders for the new primary health networks.

Mr HOWARTH (Petrie) (19:38): Mental health is certainly a growing issue in my electorate of Petrie. Since I was elected back in September last year I have had a number of people come see me at my local electorate office to talk about some of the health issues they are experiencing, particularly around mental health. It seems that anything can trigger it, and it is a growing issue throughout the country and where I live up in Petrie. I had a young man come to see me a few weeks ago. He is suffering a mental health problem at the moment mainly because as a child he was adopted out. He sat in my office and told me his story and some of the issues he was facing. It certainly made it very real for me.

Youth suicide and chroming are issues in my electorate that have been there in the past. Thankfully, chroming in particular is a little bit under control, but youth suicide in my area is fairly high amongst young people, as is drug and alcohol abuse. Drug abuse certainly seems to be on the rise. My concern there, of course, is that with young people it can cause permanent damage. Domestic violence and the damage that can cause, particularly to women and children, is certainly an issue that can affect people psychologically.

All of this, of course, impacts on welfare. As a government we are trying to deliver a budget surplus after six massive deficits resulting in a billion dollars a month in interest. We want to make sure that we can do everything we can to ensure that taxpayers' money is spent well. We want to make sure that welfare is sustainable for the long term. That is what the budget was about: ensuring that welfare was sustainable. It was about reining in Labor's debt and deficit. But if we can make savings around mental health then that would certainly help our budget position overall.

I do want to congratulate the government—I am here to ask a question of the health minister—particularly in relation to education and the government's support for the School Chaplaincy Programme for a further five years. That is an excellent commitment. I note the opposition had not made that commitment before the last election. But it is good that they did continue it under the previous governments. Certainly the commitment for the next five years is well warranted. In Queensland we have an excellent system of chaplains in many schools throughout my electorate and throughout Brisbane generally. Whilst they are not always dealing with mental health issues and they might not necessarily be trained to deal with mental health issues, they do provide a strong local voice in schools and someone that children and young adults can come and talk to freely anytime and provide friendship to. Life is about relationships. Children have teachers at schools who they can talk to, and their parents and their friends. But having chaplains in schools is good too, and it is something I commend the government on.
It is estimated that one in four young Australians between the ages of 16 and 24 will experience a mental health issue in any given year. I am sure the minister is well aware of that. Three-quarters of mental illnesses occur in people under the age of 25. Minister, I would like to know just what the government is doing to invest in youth mental health and in mental health more generally throughout the community.

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (19:42): Can I just address a few contributions. I turn firstly to the member for Solomon, a champion of local sporting groups and a great grassroots local member who has provided enormous support to a number of groups, particularly those involved in participation of Indigenous youth in sport, AFL in particular. I have visited with the member for Solomon to have a look at some of those programs. I commend her for that. I thank her very much for the work that she does and the inspiration that she provided to the government’s decision to invest $100 million into schools to give access to about 850,000 children in just over 5,500 schools across the country to increased participation and the opportunities that sport presents. Whether or not people go on with sport is not necessarily an issue. Yes, there is a significant health dividend for people who move away from a sedentary lifestyle and into active participatory involvement in organised sport or community sport. That is a significant investment that the Commonwealth has made, and I thank her very much for her question in relation to that.

I want to address the issue raised by the member for Throsby, who I note, if I am quoting accurately, said in an article in the last couple of days, ‘There’s no point building more primary health facilities in rural communities.’ What the government has done is promise $52½ million over the course of the next four years to provide a minimum of 175 infrastructure grants for existing general practices in rural and remote settings.

That goes to one of the points the member for Lyne was making before in relation to support that we can provide to rural practices. This is a flagship program, because it does stand in contrast to the GP superclinic program, where the previous government wasted $650 million by putting it into practices that were competing with existing general practices—in rural communities and in marginal seats otherwise. The GP superclinic program presided over by Labor, during the worst period of government since Federation, was not about putting extra resources and clinics into areas of need; it was all about putting them into marginal seats. They were competing with existing practices, which is why the program fell over—and it is why some have not even been started, even after the Labor Party was swept from power in September of last year. So we took a decision that, yes, we should invest into expanding general practice, particularly in rural and regional communities, because we want to see extra training facilitated in those practices. So how the member for Throsby, as the assistant shadow minister for health, who is supposed to have some interest in rural matters, could suggest that we should not be investing any money into these rural communities, is something he will need to explain to the sector. That is a significant investment that we are making and I am very proud of it.

In relation to a couple of the issues raised by the member for Ballarat, the Medical Research Future Fund—yes, it is visionary. Why Labor wanted to rip $400 million out of medical research in 2011 is beyond me. When you talk to young researchers around the country who want certainty around their future and around the way in which they can be employed in labs, institutes and universities across the country, it is absolutely breathtaking.
for the Labor Party to stand up here and suggest that they somehow support the program when they don't. They don't. They had six years to demonstrate that they could build a capital protected future fund. They didn't do it. They didn't do it. They proposed to rip money out in 2011. With those young researchers, we fought against the then government and we stared those cuts down. I am very proud of that outcome and I am very proud of the fact that we have been able to increase the money into medical research. And we will do it once this bill passes in relation to the Medical Research Future Fund because we are determined to see the future health needs of this country on a sustainable path, and that is something the government will deliver.

The member for Ballarat also asked in relation to Medicare Locals. The former Chief Medical Officer, John Horvath, undertook a review for the government and made recommendations to the government. That has been widely canvassed. In relation to the Deloitte briefing that was provided in recent days, I have not seen the detail of that. I am happy for the member to forward the details, if she has specific issues in relation to it, but I have not seen the detail of that briefing.

The member for Lyne quite appropriately talked about superclinics and I have addressed that issue. I commend him very much for the years of service he has provided to rural practice and just draw attention to the Practice Incentive Payment for teaching, which is $238.4 million over five years, and the money otherwise that we are providing to infrastructure in rural communities in this budget.

Ms RISHWORTH (Kingston) (19:48): My questions are around the future of Australia’s work health workforce. Health Workforce Australia successfully undertook health workforce planning on a national level and produced the first ever long-term national projections for doctors, nurses and midwives in its report, *Health workforce 2025*. That report found there will be a significant shortage of nurses and a less significant shortfall of doctors by 2025. Now that Health Workforce Australia is being abolished by the government, can the minister guarantee that national health workforce planning will happen and Australia will have enough nurses and doctors to meet future demands? In addition, Health Workforce Australia’s Clinical Training Funding Program funded 8,400 quality clinical places for students across 22 individual disciplines in metropolitan, regional and rural Australia, as well as building the clinical training infrastructure across the nation. But we have heard in Senate estimates on 3 June 2014 that there will be no funding for this program past 31 December. My question to the minister is: does the government have a plan for clinical training for the future of our health workforce needs after 31 December and, if so, what is that plan?

Health Workforce Australia's Simulated Learning Environments Program provided a realistic, cost-effective and flexible alternative to clinical training. This program supported a 115 per cent increase in simulated hours in 2012 and particularly supports clinical training in rural and regional Australia. But again we know from a Senate estimates hearing on 3 June 2014 that there will be no guarantee that the government will continue funding this successful program after 31 December. Once again, my question to the minister is: what is the government's plan for simulated learning in a clinical setting after December?

Health Workforce Australia is an independent body. I am sure the minister is aware that it worked collaboratively with key stakeholders and representatives from Commonwealth, state and territory training facilities and universities to build a sustainable health workforce, but
now these collaborative relationships will be lost once Health Workforce Australia is abolished and the work becomes the work of the department. What assurances can the minister give that this collaborative approach to building a sustainable health workforce will continue once Health Workforce Australia is abolished?

Since 2001—indeed under the previous government—General Practice Education and Training Ltd has provided general practice training for doctors who are seeking to achieve specialist registration as GPs. GPET reported in its 2012-13 annual report that it had met the Commonwealth target of more than 50 per cent of all training for vocational and prevocational training in regional, rural and remote locations, but now the government is abolishing GPET by 1 January 2015 to reduce, as they quote it, administration costs and overheads. I ask the minister: what guarantees can the government give that this highly successful, high-quality GP training will continue to occur once GPET is abolished?

As I mentioned, GPET runs the very highly successful Prevocational General Practice Placements Program, which gives young doctors exposure to work as a general practitioner. We heard a lot from the previous member about how important that is, particularly in rural and regional areas. Last year, 918 12-week equivalent places were delivered. GPET expects to deliver 975 places this year. This program will end because the government has decided not to fund this initiative past 30 June 2014. What assurances can the government give, and can the minister give, in ensuring that the same number of young doctors will be able to undertake placements, particularly in rural and regional areas, once this program ends?

Mr WHITELEY (Braddon) (19:52): I firstly thank the minister and the chamber for the opportunity to be part of this consideration in detail. Firstly, Minister, let me pay tribute to the work that you are doing in trying to rebuild the health system of this nation from the dysfunctional years before us. I was privileged in another place, in the state of Tasmania, to be the shadow health minister for four years, so this portfolio has a particular interest to me.

The issue about which I will ask a question in a moment is of specific interest to probably all of us in this chamber: bowel cancer. Probably everyone in the room has been touched by this dreadful disease. Interestingly, June is Bowel Cancer Awareness Month. I would encourage all of us to make sure that we are aware of the issues around this disease and would point people to Bowel Cancer Australia's website. I will be 54 shortly, so I am in the zone. Mr Deputy Speaker Kelly, you are in the zone; there are a few of us in the zone. Men and women over the age of 50 are at risk and need to take this matter very seriously. So, if you are over the age of 50 and bowel cancer is a matter of family history, that obviously highlights the need for us to be very much aware of the need to check on our own health.

Bowel cancer, to quote many who are working in this area, is preventable, treatable and beatable. They are words that we should all hang onto very dearly. Interestingly, though, bowel cancer in its earliest stages shows no symptoms, so in fact it is quite scary in some regard. There are no symptoms to be seen in the earliest stages of this dreadful disease. That is why it is so important that the issue of bowel screening is at the top of the mind of any government and any health minister. That is the question that I would like to put to the minister this evening.

Sadly, 17,000 people in the next 12 months will be diagnosed with bowel cancer. Of that, 54 per cent will be men and 46 per cent will be women. Over 4,000 people will die of this disease in the next 12 months. That is 10 per cent of all cancer deaths. The good news is that,
through proactive work over the last 30-plus years, we have seen the number of bowel cancer deaths halved from about 32 in every 100,000 to 16 in every 100,000. All of us should welcome that movement in those statistics. The real challenge that lies ahead for us is to ensure that we stay on top of the game. All the research indicates that over 500 lives are saved through screening. Those lives could be the ones of our dearly loved family members, our friends or our colleagues. Therefore, it is really important.

Before I ask the question, I want to pay tribute to all those Rotary groups around Australia that have had a significant interest in bowel cancer for 30-plus years. The work that they do to raise awareness is not to be dismissed. I have spent a considerable amount of time with the minister in my electorate. I know that he is quite passionate about matters such as this. I know the minister knows that bowel cancer is indeed a horrible disease with, as I said, around 80 Australians dying each week from the disease. Minister, what is the government doing to reduce further the incidence of bowel cancer in this great country in which we live?

Mr STEPHEN JONES (Throsby) (19:57): I have a couple of questions in relation to Indigenous health and Indigenous health cuts. The budget had half a billion dollars worth of cuts to the closing the gap programs, including $125 million in cuts to Indigenous health programs. That is surprising given the fact that we still have a terrible problem with the gap between Indigenous and non-Indigenous health outcomes. This includes the facts that six per cent of the Indigenous population has diabetes and the gap in life expectancy still has not been sufficiently addressed. In fact, there are problems in just about every health indicator that you could look at. We heard the Aboriginal Medical Service raise complaints about the impact of the GP tax on them, on their viability and on Aboriginal health services.

My questions to the minister are these. What will the impact of the GP tax be on Aboriginal health services? What services will need to be cut? Can the minister guarantee that no service provided by an AMS will need to be cut or closed because of the GP tax? Does the minister expect the Aboriginal health services to absorb the cost of the $7 GP tax if they wish to see patients for free? Will the minister boost funding for AMS to compensate for payment of the GP tax? And does the minister acknowledge the GP tax will have a deleterious effect on Aboriginal health given it will put more obstacles in the way of them obtaining access to primary health services?

Ms KING (Ballarat) (19:58): I am very conscious of the time and thank you for considering further questions. I particularly want to ask some questions around prevention. I refer to the government's decision to abolish the National Preventive Health Agency and the decision to cut $367.9 million from the National Partnership Agreement on Preventive Health. I note that these cuts start on 1 July. I make the point that a good proportion of these funds have been factored into state as well as local council budgets. In this context, I want to ask the minister if he can point to a single additional dollar in the budget, beyond the election promise on bowel cancer screening, where the government is providing new funding for new preventative health initiatives or new public health programs.

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (19:59): Can I just address a few of the contributions that have been made? Firstly, thank you very much to the member for Petrie, who is doing an exceptional job. He is very accessible in his local electorate and that has certainly been acknowledged by his local constituency.
He raised the very important issue of youth mental health, and I am very pleased that in this budget we have provided $18 million over four years for the National Centre of Excellence in Youth Mental Health. We have provided $23.4 million in 2014-15 for the Mental Health Nurse Incentive Programme—a continuation of that funding. And, very importantly, we have provided additional funding to the headspace program of $14.9 million over four years. It is a successful program that was strongly supported by the now Prime Minister when he was health minister in the Howard years, and it is an opportunity to provide support to those young people who may not be able to have interventions elsewhere in the system. The government strongly supports that particular process.

Can I also address the very worthy contribution of the member for Braddon, who rightly raised concerns around what is a significant and in many ways silent killer within Australian society? Early prevention for any cancer and for any condition is particularly important, which is why it is important for the government to make this $96 million investment in relation to bowel cancer screening. I am very proud of the fact that we were able in a tight budget, where we inherited such a very difficult fiscal position, to find this additional funding to put into bowel cancer screening. We delivered on that election commitment in this budget, and it will save lives. That was acknowledged by Ian Oliver and it was obviously alluded to in the contribution by the member. As he pointed out, he has many years of experience looking at these particular issues and looking at ways in which we can better deliver health care, not just in Tasmania but across the country as well.

Can I also think the member for Kingston for her contribution? It was a difficult situation that we inherited—there is no question about that. There were not only growing numbers within the department but also a dozen new bureaucracies that were created on Labor's watch. It was replicated in New South Wales and in Queensland, where they had a failed health model as well. It has been rectified in Queensland and it has been rectified in New South Wales. We are seeking to do our best to get money back to front-line services, and we reflect that in this budget as well. The government wants to have as much money for front-line services as is possible, and it is a bit rich for one member opposite to be arguing for additional services to be provided and yet for the shadow minister to be arguing, for arguing's sake, for more money to be spent in bureaucracies.

It just does not add up; Labor's magic pie just does not add up. We will deliver services more efficiently by bringing them back into the department—services that were previously delivered by HWA and also ANPHA. We will reduce the waste, we will put the money back into the department proper and we will continue those programs within the department because this government is determined to fix up Labor's mess—certainly, as it applies fiscally but in relation to health as well. We will make sure that we get that money back to front-line services, but we are not going to do it by continuing the great big bureaucratic growth program that was delivered by Labor. We will reduce the bureaucracies and we will put money back into front-line services.

I will close just on the very important point raised by the member for Throsby in relation to Indigenous funding. It is still a national disgrace that we have such disparity between life expectancy for Indigenous and non-Indigenous Australians. The Prime Minister has made it one of the main causes of this government, to make sure that we can address that issue and to close the gap. Otherwise, we provide expenditure in the health portfolio separate to the
Proposed expenditure agreed to.

Immigration and Border Protection Portfolio

Proposed expenditure, $5,037,127,000

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (20:05): The Immigration and Border Protection portfolio has a special responsibility. That responsibility, under this government, is to protect the value of immigration to this country, and to protect the value of our borders as a national asset to this country.

Immigration has been a key cornerstone of our economic and social success as a nation for 200-plus years. There are two key ingredients that will ensure that we continue to maintain this success. We are, arguably, the world's most successful immigration nation. And we have a very good argument that we are the world's best immigration nation. But this cannot be taken for granted, and it will not continue if we do not focus on two core objectives. This government's core objectives in this portfolio area are to ensure the economic focus of our migration program and to ensure the integrity of our migration program.

Without these two key elements our immigration program will be unsuccessful. It will fail to meet the success benchmarks that it has achieved for so long. In this budget we announced the migration program. And we announced that in that program more than two-thirds of the permanent migration program will be attributed to skills. This was a core election commitment, and it follows on from the position that we held when we were last in government.

At the end of the Hawke-Keating government less than 30 per cent of the permanent program was in skills. Over the course of the Howard government that rose to almost 70 per cent. There were many things that we were critical of in the previous government in terms of how they managed immigration. One, though, that I will say that they maintained was the high proportion of skilled migration in the overall permanent program. That is something that we have continued in this budget. We will always ensure that the immigration program is an economic program, not a welfare program. That is our absolute focus in running this program in this budget and the budgets that will follow under an Abbott government.

The second area is integrity—integrity in all aspects of the program. Our activities in our first nine months have obviously been very focused on what has been happening on the border with illegal maritime arrivals. And we have had significant success over that period of time. We know that you cannot pretend to manage your immigration program if you cannot manage your borders. If you are not in control of your borders you are not in control of your immigration program.
So our policies, under Operation Sovereign Borders, have been about addressing that core primary task of any government: to ensure the security of our borders. The success has been there, I think, for all to see. But it cannot be taken for granted. It can easily change. If policies are changed, if postures are changed, if resolve is changed and if these policies are not resourced then the success can change and we can easily go back to the position that we were in under the previous government.

Three critical areas make up Operation Sovereign Borders. The first is denying permanent residence to those who have arrived in Australia illegally by boat. We have done that, despite the frustration of those who sit opposite. The second is the offshore processing of people who have arrived illegally by boat. That has been done and continues to be done under this government. The third is by turning boats back where it is safe to do so. These policies—particularly the latter one, when it was introduced in late December—have ensured that we have had no successful people-smuggling venture to this country for almost six months now.

This has produced savings in this budget of $2½ billion. The previous government had forecast arrivals of 15,600 people over the budget and forward estimates. That is more than 600 boats. Our forecasts have been significantly reduced, and that is what has produced the $2½-billion saving. We have also produced a saving through the closure of 10 centres, two of which are often described as one centre—Aqua and Lilac compounds on Christmas Island. That has produced savings of $283.3 million and $300 million in program savings alone from how we have constructed the overall migration program itself. The budget is delivering on our commitments in immigration. I am happy to take questions.

Mr MARLES (Corio) (20:09): Can I thank the minister for the opportunity to ask him questions tonight in this important portfolio area. I do want to ask the minister questions in relation to the Manus Island detention facility. The regional resettlement arrangement which was put in place by the former Labor government and came into effect on 19 July last year had the impact of taking Australia off the table by requiring, for the first time, those persons found to be genuine refugees within the facility to be resettled within Papua New Guinea. What we saw from the moment that that occurred was a significant and game-changing decline in the arrivals of asylum seeker vessels, such that by the time of the election 90 per cent of the flow of asylum seeker vessels had stopped. Those numbers persisted right through until the middle of December before there was any substantive policy put in place by the current government in relation to the issues around our borders. So the significance of the regional resettlement arrangement, at the heart of which is Manus Island detention facility, is absolute. I assume that that is a proposition which is accepted by the minister and by the government by virtue of the fact that both the minister and the government have maintained the regional resettlement arrangement as part of the government’s suite of policies in dealing with the flow of asylum seeker vessels. It is unquestionably, statistically at the heart of what has produced a major reduction in flow of asylum seeker vessels. What is critical about that, of course, is that as a consequence of that we have seen a reduction to the point, we hope, that we have seen the end of the loss of life at sea, which was a circumstance which needed to be brought about.

But in saying all of that there are a number of issues which have arisen under this minister's watch and under this government in relation to the Manus Island detention facility. On a number of occasions now the facility has quite literally melted down. Of course we have the
events of 16-18 February this year where we saw the very tragic death of Mr Reza Berati along with the serious injury of many others. In the aftermath of that we called upon the government to undertake an independent inquiry into the events of those few days and also the circumstances within the facility leading up to those events which gave rise to them. To the government's credit they conducted that review and we have seen the outcome of that in the Cornall report. On page 8 and 9 of the Cornall report, which is, if you like, the executive summary, there is a description of the key contributing factors. I am quoting:

Frustration in the delay of the processing of their refugee status determinations and lack of information about the likely timing for the completion of these determinations. Further anger and frustration resulting in the consequent uncertainty about their future including and, in particular, how long they will be kept at the Manus centre and frustration arising from the lack of information about what resettlement in PNG would mean for them and their families.

My first question to the minister is whether or not he accepts those findings of the Cornall report as being central causes which gave rise to the events on 16-18 February? On 15 January this year the minister in a press conference said:

… the processing has recommenced on both Nauru and on Manus Island and Australian officials were assisting with training and providing support for that assessment process. That is underway and has been happening now for around about three or four weeks.

And yet in an article just a few days ago by Michael Gordon this seems to be contested, and I am quoting now from The Sydney Morning Herald:

During an hour-long briefing of senior staff, the then acting regional manager of security provider G4s, John McCaffery, said he had been told that no refugee-status determinations would take place “for the foreseeable future” because of lack of funds.

I am interested in whether the minister can clarify if in fact he was wrong when he made the statement that he did on 15 January.

And, finally, I would like to know from the minister when it was that he first had a substantive meeting with his counterpart in PNG about the question of resettlement and processing of people from Manus Island? (Time expired)

Mr Buchholz (Wright—Government Whip) (20:15): I take this opportunity to thank the minister for being able to ask a question of him that pertains to his portfolio interest of immigration. In particular, my question goes to border security. Can I compliment the minister on Operation Sovereign Borders? As a nation, the evidence before us in the parliament is that clearly the operation is working. I need not remind the minister and the House that today marks 100 days since the last successful people-smuggling venture to Australia. As the previous speaker alluded to, that is a good thing because it does reduce that loss of life that we had at sea.

With reference to the last people-smuggling venture that arrived here, it was on 19 December last year. In contrast, if we go back 12 months to the same period of time in 2012-2013, 181 illegal boats arrived with no less than 12,135 passengers on board. The message of stopping the boats is resonating throughout the community and it is resonating throughout my electorate of Wright, and I take this opportunity to advise the House that in particular, new Australians are taking the opportunity to reach out to my office—and I am sure they are to the minister's office—in saying that they have come through the front door, as such, to enter Australia.
I have a sizeable Chinese community, over 13,000 people from the UK, just under 2,000 Germans, a large community of Hungarians, an Irish community, an Italian community and a Scottish community of nearly 3,000. All of them came through the front door and they are overwhelmed with praise for the current government's border protection policies. So the message is resonating in the community of Wright. They are pleased that the back door is being shut.

We must ask ourselves when we look back in history—and I take you to a point where both Greens and Labor said openly that the task of stopping the boats was too great. The task of stopping the boats was virtually going to be unachievable. So I take this opportunity to compliment the minister for the way that he has handled himself. I remember when the border protection policies of the Howard era were wound back. There was high-fiving in the parliament, there was backslapping and there were statements that resonated along the lines of, 'This is my proudest day in the parliament.' There were comments along the lines of, 'This is my greatest single achievement in the parliament.' If only those comments could be retracted by those people with the benefit of hindsight. I suggest that they would be revisited.

I compliment the minister on the way that he has gone about addressing our border security issues. He has done it quietly, methodically and purposely and with a result that heralds unprecedented success. But, of course, you are not the first person to have stopped the boats. I need only to look to the Howard government; it was reviled for its harsh policies that stopped illegal immigrants getting into Australia by boat, whilst in about 12 years they brought in about 2 million legal immigrants to Australia.

In contrast, for everyone who comes illegally, it means that someone coming legally loses their spot. Under Labor, over 800 boats arrived carrying more than 50,000 people, including more than 1,000 children. This catastrophic failure of policy resulted in over 1,000 lives being lost at sea, and no-one trivialises that. No-one would dare trivialise that. As a government, I am now proud to stand beside you, Minister. When we leave this place, whatever definition it may be under, I will make sure I include that in my valedictory speech.

We went to this election and we clearly said that, where possible, we would turn back the boats, we would introduce temporary protection visas and we would introduce offshore processing—all of which have been a successful foundation for stopping the boats. In particular, Minister, my question goes to your successful border protection policies and what effect it has had on the budget, in particular with the detention centres and the winding back of—(Time expired)

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (20:20): I will cover the questions raised by members and I thank the previous member for his kind remarks. The previous government introduced offshore processing in late 2012. It was done after a report that came down in August 2012. For the five years prior to that, and the 10 years prior to that, the Labor Party had completely opposed offshore processing—up hill, down dale, in season and out. They said it would never work and it was never part of the solution. They described it in the most barbaric of terms and they vilified those who proposed those policies, in particular the Father of the House, the member for Berowra, and also former Prime Minister John Howard.

One day, they may come into this place and actually apologise to John Howard and the member for Berowra for getting it so wrong. They were dragged kicking and screaming to
restore offshore processing, as the member for Corio has acknowledged. They introduced offshore processing under sufferance, under protest and under extreme political pressure. The problem with the way that the previous government went about it is that they only introduced one element of the plan and they still remained completely opposed to the other two elements of the plan.

Let me tell you what we inherited in terms of offshore processing from the previous government. The most significant thing when we came to office was that we found that there was a $1.2 billion funding shortfall in the effective implementation of that policy. What did that comprise? Under the previous government's funding arrangements, only one in six people who had arrived illegally in Australia had been funded to be transferred to offshore processing. Though it was boldly claimed that no-one would be resettled in Australia, they had only funded one in six people to actually be sent offshore.

The infrastructure arrangements on both Manus Island and Nauru were completely deficient. This was found, in the Cornall report, to address the type of policy they announced on 19 July. The infrastructure was just not up to standard. They were not even close to that standard. We had to immediately fund both the processing and the support costs for the running of those facilities to meet a very simple proposition, which was the policy articulated by the previous government. But they did not actually fund it and they did not think through the implementation.

Their implementation of offshore processing was the classic 'fire, aim, ready' approach that we saw in everything from pink batts to school halls. It was the same thing with offshore processing. The previous government were always keen on the announcement, but when it came to implementation they always left the country in a very disadvantaged position. There were no family-friendly facilities on Nauru, but they were planning to send every family member to Nauru. The facilities just were not there. We have had to fund those. There was no playground. There was no air-conditioning in the marquees or anything like that at Nauru. There were no plans to do it, either. These were all things that had to be funded by this government. The upgrade of health facilities on both Manus and Nauru are things that are being funded and had to be done by this government.

The member makes claims about the results of the introduction of offshore processing. I am not surprised that offshore processing had an impact, because I have been making the argument for five years. I am pleased that ultimately, under sufferance, they decided to actually implement it. But when people implement policies that they do not believe in, they rarely get it right. That is what we found when we came to government. Those resettlement arrangements, which the member speaks proudly of, were a blank sheet of paper. There were no resettlement arrangements—none at all. They are only now in the final stages of being put together by the government of Papua New Guinea as a result of nine months of work.

The member asked me when I first met. I met with my counterpart of Papua New Guinea in the first few weeks. It was the first place I visited. I was the first minister from this government to visit Papua New Guinea. I am surprised the member opposite does not know that. I was followed up by two other meetings by Christmas, and the issues of resettlement and the processing centres were discussed at all of those meetings. He claims that I never met with them till after the terrible incidents in February. He is just wrong. He claims that no-one died at sea from 19 July to the end of the year and he was wrong. Seventy-nine people died.
So the member opposite, if he is going to raise issues, really needs to get a handle on the facts around the portfolio and understand what the government which he was a part of left the new government to implement. We had to clean up a mess. We had to clean up a mess on Manus Island. We had to clean up a mess on Nauru—through no fault of the Nauruans or those in Papua New Guinea, by the way, but as a result of a government that was more keen on announcement than they were in actually believing in and implementing a policy.

Mr MARLES (Corio) (20:25): First, I thank the minister for his answer, albeit the majority of the questions I asked he did not address. Specifically, I am keen to know whether or not the minister regards the contributing factors that have been identified by Robert Cornall in his report as being the key factors which led to the events of 16-18 February. The minister likes to talk about his slogans, phrases, blank pieces of paper and the rest of it, but you will see from the contributing factors that have been identified by Robert Cornall that there are actually five dot points through pages 8 and 9. I read out three of them previously. The first two are the anger at being brought to PNG—one can understand that—and the anger with the policy that, if they are found to be refugees, they will be resettled in PNG, not Australia. I can understand that. Nowhere in those causes are the matters that the minister raised in his answer.

But there are three further dot points which I read out previously and which raise the specific question of the failure to engage in processing and resettlement in PNG. That is the question that the minister fundamentally refused to answer in the contribution he has just made. It does not surprise me that he has refused to answer it, because the fact of the matter is that this minister utterly dropped the ball on this question. I am interested that he claims to have discussed the matter of resettlement with his counterpart in PNG in their initial meeting. I am interested that he is saying that happened last year.

Certainly it is the case that there was not a ministerial forum—I pose this as a question—in relation to this until 2 April. Can the minister confirm that the process of ministerial forums between himself, our foreign minister, and his counterparts in PNG around resettlement and processing in PNG began on 2 April this year? The minister did not answer the question about whether or not he got his facts wrong when he said that processing was underway on 15 January this year, which seems to have been contradicted by material that emanates from John McCaffrey, the acting regional manager of security provider G4S, as I said in the first question. So I ask that again. Did he get his facts wrong on 15 January?

But there are other matters which have been raised over the last week in the context of the Senate inquiry which also seem to lend weight to the notion that processing and resettlement at Manus stalled, and this, as Robert Cornall identifies, was the key reason that led to the events that occurred on 16-18 February. I refer the minister to the evidence that was provided by Liz Thompson, a migration agent working with Playfair who conducted interviews on behalf of the transferees. On pages 22 and 23 of the Hansard report of her evidence that was provided last Thursday she says:

There were some—
RSD interviews—
completed very soon after my first deployment—
which was in August—
I understand. When we got back to the island the second time—which was in February—I was led to believe that about 50 RSD interviews had taken place. There were no decisions, but I understood about 50 RSD interviews had taken place. As I said, in our second appointment it was made very clear to us, on 5 February, that there was no plan for RSD, only CAPS interviews—which are the initial interviews.

So we were being deployed simply to undertake that initial process of taking the statement, filling in the forms and then providing them to the Australian immigration department, who would then provide them to PNG.

She went on to say that a Jo Boardman made it clear that there were no RSD interviews to be taking place at that time. So I put that to the minister and say: is that your understanding of what was occurring at the facility in February of this year?

Finally, Minister, on 7 February you received a letter from G4S which had attached to it a letter they had provided to Martin Bowles, the secretary of your department, in which they warn you. They note: reliable intelligence indicates that violent protest may be imminent at Manus Island. My question is: what did you do when you received this letter? (Time expired)

Mr IRONS (Swan) (20:30): My question for the minister will be in relation to Australia’s skilled migration program, but I would obviously like to put some context to that, particularly in my electorate of Swan. I must admit I came in before, when the member for Wright was talking and asking a question. I heard him congratulate you on your great efforts in getting to a point where the boats have stopped for six months. I know we do not like to say they have permanently stopped, but you have done a fantastic job and I know the people of Western Australia, particularly in my electorate of Swan, would applaud you and congratulate you on your efforts and the way you went about that.

It surprises me that at the moment we have the shadow minister in here asking you detailed questions about things that while they were in government they never bothered to answer. They never bothered to successfully complete them or even do them. They are now in here asking little detail questions, gotcha questions, to show that they are on the job. Well, they were not on the job for six years.

Getting back to the skilled migration question, the local economy, as you know, in WA has had many skill shortages over the last few years. My electorate of Swan has a real mixture of skilled migrants, but no one group dominates that. A relatively large percentage of Swan residents were born overseas. The 2011 Census data shows that 52.1 per cent of the people in Swan were born in Australia, which is significantly lower than the national average of 69.8 per cent. However, as I said before, no one group dominates. The second largest group is made up of those born in the United Kingdom, at 7.3 per cent, followed by myriad small groups, the majority from a number of our closest neighbours in South-East Asia. This includes 3.2 per cent from India, 2.9 per cent from Malaysia, 2.8 per cent from New Zealand, 2.6 per cent from China, 1.6 per cent from Indonesia and 1.4 per cent from the Philippines. From that point on, no group makes up more than one per cent of the population of Swan. This creates an interesting balance and mix in the electorate of Swan, and on the whole people mix together in the parks, foreshore, swimming pools et cetera and we all get on. As anyone who has been to Western Australia would know, the lifestyle there is magnificent. It is an outdoorsy lifestyle and everyone does get along quite well.
Back to skill shortages in WA. You will not be surprised to hear me say that there have been skill shortages in WA over the last few years during the mining boom. These can have an inflationary effect and cause cost-of-living pressures and service delivery issues if not addressed. Skilled migration therefore plays an important role in addressing these issues in the short term. Many people in my electorate would see a doctor or an optometrist that has come as a skilled migrant, for example. Up-to-date research undertaken by the Department of Employment identifies occupations with skill shortages state-wide, specifically in WA. The latest list, published on 28 February 2014, reflects research undertaken to 31 December 2013. The department states that skill shortages exist when employers are unable to fill, or have considerable difficulty filling, vacancies for an occupation or significant specialised skills needs within that occupation at current levels of remuneration and conditions of employment and in reasonably accessible locations. Statewide skills shortages specific to WA include vital social services such as childcare centre managers and childcare workers and trades such as first-class metal machinists, panel beaters, locksmiths, solid plasterers and stonemasons, roof tilers and electrical-line workers. As the minister might know, I did an apprenticeship as an electrician and I will have more to say on that matter when the Trade Support Loans (Consequential Amendments) Bill 2014 comes up for debate in the next few days. The mining sector occupations where there are deemed shortages include production manager; mining engineer; medical services, which includes optometrists and audiologists; and food and hospitality, including baker, pastry cook, butcher or smallgoods maker, chef and cook. There is also a particular metropolitan shortage of hairdressers in Swan and in Western Australia.

I note that the minister has been focusing on the skilled migration issue through the Significant Investor Visa program. My question for the minister is how does the budget rebalance Australia’s migration programs towards skilled migrants who help to create a stronger Australian economy and more local jobs?

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (20:36): In answering the matters raised by members—firstly, on the issue of processing on both Manus and Nauru from the establishment of offshore processing on Manus island and Nauru in November 2012 through to September 2013. This is the period of time in which the previous government was running processing at both of those facilities in support of the governments of Papua New Guinea and Nauru.

The total number of decisions arrived at during that period of time was zero. Not one. There was not one decision that was handed down. That is in a period of around 10 months. We have been in office for nine months and there has been a total of 109 decisions or recommendations made in refugee status determination processes. I do find it puzzling that the member opposite would want to give lectures on how processing should be done when the previous government spent almost a year involved with these facilities and did not process one claim. Not one. One hundred and nine have now been completed by the governments of Papua New Guinea and Nauru, in assessing people’s claims.

It is true, and I do accept the findings of the Cornall report. This is the report that we promised would be done. I said that we would have an independent report that would seek to explain what happened. I think the report does an excellent job of explaining what happened, and the contributing factors are as Mr Cornall suggests. The frustrations around processing were definitely one of those and that is why the government had to pick up from a standing
start on processing to get to the position that we are in now; a position that we have achieved in less than nine months and that they could not achieve, or were not even close to achieving, in the 10 to 11 months that they were in office when they were supporting these arrangements.

The processing and resettlement are critical to how these facilities run. We had no legacy to work with when we took over the support of these facilities under the arrangements which the previous government had arrived at under the memorandum of understanding. I mentioned the three meetings that I held with my counterparts, one of which was a formal dialogue between Australia and Papua New Guinea. That was part of their formal agenda for those discussions. And I have been in Papua New Guinea more often than any other minister in this government. I am constantly there, and I will continue to be there as we have an important job to do there.

Mr Cornall makes reference to when processing commenced. And I stand by my statements of 15 January, because the whole processing end-to-end process starts with the initial interviews, and that had already commenced at the time that I made the statements. I suggest that he probably does not want to use Fairfax media as his research tool if he is going to pursue this portfolio with any credibility. They are constantly having to be corrected on these matters. When you listen to journalists who have agendas rather than pursuing pure reporting, well, good luck listening to Michael Gordon. I am sure he will serve you well.

In terms of the actions taken by the government, I simply refer you to page 76 of the Cornall report. The Cornall report makes very clear the actions the government took with the intelligence reports that led up to the terrible incidents in early February. In addition to what is noted there, we ordered the deployment of 130 extra security guards into that place to ensure that the maximum protection could be provided. As terrible as that night and the night before were, the centre opened the next morning and ran, and there were tremendous acts of heroism that night that actually protected and got many, many people to safety down to the oval. That was because of the planning and the preparation that was put in place for that evening. It was not like what happened at Nauru on their watch—those over on that side—when it burned to the ground; or on their watch, when Christmas Island burned to the ground; or when Villawood burned to the ground. That did not happen that night. Something terrible happened that night, we all agree, but the centre stood up the next morning and the centre continued to operate. That was a critical thing to happen, and that was a result of the planning and preparations that went into dealing with what was a terrible incident on that occasion.

The government took actions; the government planned, but we had to deal with the mess that we had been left with by the previous government. That was a long fuse that went from a decision on 19 July to implement a policy for which they had not thought through the implementation issues that had to be addressed in order to announce it. And in doing so, they set the scene for what we saw that night.

Mr MARLES (Corio) (20:41): I give the minister marks for chutzpah, because it seems to me that he is claiming success out of the events of 16 to 18 February which, given what occurred, is genuinely astounding.

In circumstances where it is clear that there have not been frequent meetings between the minister and his counterpart in PNG until after these events occurred, it is evident that the government completely dropped the ball on the question of resettlement. As the minister well
knows, what is different about this arrangement compared with any of the offshore processing which was done under the former Howard government, is that this arrangement will result in people being resettled in PNG. It is the fundamental point, which is why this has made the difference. The minister can talk about offshore processing and its effects, but the reality is that by the end of the Howard government people smugglers absolutely knew that if you got someone to Nauru you had well and truly got them to Australia. The prescription that existed then would simply not have survived the wave of people we have seen since.

What was different about the regional resettlement arrangement was the nature in which it took Australia off the table—that is why resettlement was so critical, and that is why it is such a huge mistake on the part of the minister that that ball was dropped, because it goes to the central question of the efficacy of the regional resettlement arrangement in PNG.

I do want to raise a separate matter, and that is the very tragic circumstances of Mr Leo Seemanpillai who, as it turned out, lived in my electorate. Leo Seemanpillai tragically died just over two weeks ago, and I would like to thank the minister for taking the time on the day after this tragic event to ring me and brief me on the circumstances of that. I do make that acknowledgement in this place now.

This was, and has been, a really tragic incident for the community of Geelong; obviously for the Tamil community in Geelong, of which Mr Seemanpillai was a member. My question to the minister in relation to this incident is a simple one. My question is: on what basis have visas been refused for Mr Seemanpillai's family to attend this funeral? And does the minister contend here today that there is absolutely nothing within his power to allow him to facilitate the passage of this man's family to attend the funeral tomorrow? It appears that a disturbing letter from the Australian Department of Immigration and Border Protection—as it is reported in the media—acknowledges the sincerity of the desire to pay respects on the part of Leo Seemanpillai's brother, Ezekiel, but it also states that it appears—and the question is whether this is correct—that he does not intend to stay in Australia on a genuinely temporary basis. Is that really the basis on which this man's brother has been refused a visa to come to Australia to attend his brother's funeral? My principal question is: does the minister have no power to do anything to deal with this circumstance and allow these people to attend their family member's funeral?

I would also like to ask another question in relation to a totally separate area. This relates to the change of contractor on Manus Island. Earlier this year, the principal contractor at the Manus Island detention facility changed from G4S to Transfield. As I understand, the contract to perform the services on Nauru appears to be a $2.1 billion contract. It is for both Nauru and Manus. My first question to the minister is: is that the price for the entire contract? But the principal question is: what tendering process was undertaken prior to the change in relation to the principal contractor? Whose decision was it within government to change the contractor, and when was that decision made?

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (20:46): There have been a number of matters raised, but, first of all, there was no ball to drop. He had never left a ball behind when it came to offshore processing and resettlement in particular. There were no resettlement arrangements with Papua New Guinea when the previous government left office. There was nothing. There had not been anything for months until we sat down and started working through these issues. We started that process within weeks of coming to
government. It has been a long road and we have worked carefully with the government of Papua New Guinea. We are very close now to the finalisation of proper resettlement arrangements in Papua New Guinea.

Just announcing them does not make them true. They did not exist, member for Corio. They were not there. They had to be created. Just because you promised them does not mean they miraculously came into existence. They had to be created, they had to be implemented, they had to be created, they had to be negotiated and they had to be funded. That is what our task has been over the last nine months. So there was no ball to drop. They never even picked up a ball. There was no ball when it came to what the previous government left behind when it came to resettlement arrangements. It was a blank page and an empty promise from the previous Prime Minister and the previous minister.

The other point to note is what would have happened had arrivals continued at even the claimed levels of the opposition—and they base their great statistical achievement on a two-week period before the election date. They were so successful that this occurred in the caretaker period. This was the period of their triumph. Two weeks they claim as the success of the implementation of their policies. Two weeks says nothing. Six months of no successful venture to Australia talks about success. But let us assume even for a second that in his wildest fantasies this was an achievement of the previous government. Arrivals at 400 per month, which is higher than it was back in 2010 at the time of the previous election, would have swamped Manus Island and Nauru within months. The whole policy would have collapsed. They simply did not have the capacity, the resources or the systems in place to deal with that rate of arrivals which would have continued to happen under that government. They only had one arrow. They only had one arrow on offshore processing.

We have never claimed that it required just one thing. We brought in the policies of denying permanent visas for those who were already onshore. There is a pool of 30,000 people constantly messaging back to those offshore. If there had been a re-election of the Labor government, those people would have said, 'Yes, come down on the boat. This government is going to hand us our permanent visas.' That would have messaged back. The nuances of whether people ended up in Papua New Guinea or stayed in Australia would have been lost, but the message about permanent visas being handed out would have remained. That still remains true today. Without that message, without that clear change in resolve and without the clear actions of the government to turn boats back where it was safe to do so, Manus Island and Nauru would probably not have got past the first quarter of this year—if they were lucky, and if they could have sustained arrivals at no more than about 400 per month. It would have collapsed. Today, as we sit here, if that government had been re-elected we would be back up where it was. The policy would have been a complete failure; it would have been overwhelmed by their own failures. The opposition are seeking to delude themselves with pretensions and fantasies as some sort of comfort from the terrible failures they had in government. They should just simply acknowledge that they got it all wrong and this government has got it right. They should simply accept this fact, support the government’s policies, support turnbacks where it is safe to do so, support denying permanent visas and support offshore processing done properly, as it is being done by this government.

On the very sensitive matter of Mr Leo Seemanpillai, I have no power to intervene in a decision that has been made for a tourist visa by a delegated officer for an offshore
application. There is no such intervention power for the minister. I said that earlier today, and perhaps the member missed it when I made that comment on Sky News earlier today, but that is the case. I would not suggest that he takes his immigration advice from Sarah Hanson-Young—Senator Hanson-Young—or Fairfax press or anyone else. This is a very sensitive matter. The difficulties of family members, in this case, of getting to Australia was acknowledged by the government. It was for that reason that I took the unusual step of offering the repatriation of the remains to ensure that a funeral could have been held with the family. That offer was rejected. That is a matter for the family and that is for their judgement. But Australia's visa laws will apply; the processes that are put in place to police and run those visa arrangements will apply. There is no special intervention power that is available to the minister to override those processes in an application of this nature. Tomorrow will be a very sad day for that family and it will be a very sad day for all of us. I extend my best wishes and sympathies to his friends and family.

Ms GAMBARO (Brisbane) (20:52): Australia has always had a very proud record in terms of offshore humanitarian programs. We are one of the most generous countries in the world. Between 1993 and 2012 we had the third largest number of recipients: 211,240. The Howard government had strong offshore and resettlement policies. I was very proud to work on some of those resettlement policies, particularly the work on refugee resettlement and the offshore component. I want to add to the voices of my colleagues in thanking the minister for the fine work he has been doing to ensure that the boats have been stopped for a period of more than six months. We no longer see devastating cases where lives were lost at sea that would tug at the heartstrings of all of us.

There are thousands of people around the world who are displaced every day through war and human rights violations. When one looks at how many are displaced around the world one sees that at any given time there are 45.2 million people forcibly displaced worldwide. At the end of 2012 there were 28.8 million internally displaced people, 15.4 million refugees and 937,000 asylum seekers. Australia has an obligation to make sure that we have a viable offshore program that accepts the people that are most at risk, that in many cases have been languishing in camps for many years. I have visited many camps, as I am sure the immigration minister has and as many of the people sitting on this side of the chamber have. I have seen many of the camps, particularly on the Burma-Thailand border, that have up to 100,000 people in them for many years. Our offshore program clearly should be catering for people who most desperately need to come to Australia and have been in these camps for a long time.

The world is unfortunately getting to be a more turbulent place. In recent years we have seen the situation in Syria from where many people have been displaced into Jordan and Lebanon. Just recently I had a meeting with the Jordanian ambassador, and I want to congratulate the work that countries like Jordan are doing, particularly in looking after the huge number of internally displaced people who have come across the border from Syria. These problems will not go away.

I want to also thank the minister for the fantastic work that he has done in increasing the Women at Risk intake. This particular program was very much needed because, unfortunately and sadly, being a woman in many of these offshore and refugee camps puts women at the highest risk. Many of the times that they are displaced they may have lost their husbands.
killed or they may have been separated from them and unfortunately their livelihood is greatly threatened and also their ability to be protected. It puts them at risk of rape and terrible atrocities.

Minister, I have a question to you in terms of the humanitarian component of our program. I would like to know what has been the humanitarian dividend delivered in the budget as a result of the coalition's policies to stop illegal boat arrivals under our Operation Sovereign Borders?

Mr MARLES (Corio) (20:56): Firstly, despite however many attempts the minister makes to play down the significance of the impact of the regional resettlement arrangement on the suite of measures which has reduced the flow of asylum seeker vessels, he cannot get past the simple fact that this is a policy which he and his government have continued to prosecute. It is a policy which, clearly, he agrees has a big impact. It is a policy in terms of offshore processing which never existed under the Howard government, and it was a policy that he criticised quite openly at the time that the agreement was actually made with PNG.

It may be an inconvenient truth for the minister but the figures are all there. When you look at the number of asylum seeker vessels that were coming to Australia, they reduced by 90 per cent from the time that the agreement was put in place within a couple of months and that number did not just persist for a couple of weeks; it persisted right through to 19 December. Prior to 19 December the government did not turn around a single boat. Prior to 19 December the government did not buy any fishing vessels, as they said they would do, in Indonesia. There was no substantive policy that was implemented by the government until 19 December and yet the decrease in the numbers as a result of the regional resettlement arrangement implemented by the former Labor government with PNG persisted.

The minister likes to talk about a blank page—that there was no ball to drop, that all we did was announce, that we did not 'negotiate', a word he used in relation to his efforts, as if we just magically out of thin air got an agreement with PNG. He described it as nothing other than an 'empty promise' by the former Prime Minister and by the former immigration minister. So I ask this question of the minister: given that it was an agreement with Papua New Guinea, to which Papua New Guinea was a party, and you have described this now as an 'empty promise', do you also then say that it was an empty promise on the part of the PNG Prime Minister?

Mr Morrison interjecting—

Mr MARLES: Oh, that is convenient. Even though it was an agreement between two parties. Do you say there was an empty promise on behalf of the PNG foreign minister and immigration minister?

Mr Morrison interjecting—

Mr MARLES: And therein lies the complete contradiction in the minister's own rhetoric here, because he is talking in relation to an agreement—a joint announcement between two parties, Australia and PNG—that one party did it as a hollow, empty promise but the other party, speaking at precisely the same time, Prime Minister, Foreign Minister and Attorney-General of PNG, was not. Both speaking at precisely the same time but theirs was full of substance but ours was a hollow empty promise! That is, of course, ridiculous. This was an agreement that was negotiated between Australia and PNG that required significant
diplomacy. There was an undertaking from PNG that was arrived at by virtue of this negotiation to resettle people in PNG. That was a breakthrough in terms of the relationship that Australia had with PNG or, for that matter, with any other country in the region. It totally changed the game in terms of asylum seekers coming to this country by boat. What it meant was that Australia was taken off the table, and Australia was taken off the table by virtue of an agreement that the former government negotiated with the PNG government. It was announced jointly, and you described that as 'an empty promise'. I would be interested to see how your counterparts in PNG would regard you in describing what they did then as being nothing other than 'an empty promise'.

The minister talked about temporary protection visas as being a critical part of his program in seeing an end to the flow of asylum seeker vessels. The question I have to the minister in relation to this is very simple: does the minister imagine, or does the minister contemplate, that it would be possible under his stewardship in this portfolio—under his government—that a visa would be offered to an asylum seeker coming to Australia by boat after 19 July last year or, indeed, at any point in the future? Do you say that any person who came after 19 July last year would be entitled to any visa to this country? Because if the answer to that is 'no', then it does not matter what you do or do not do to the cohort of 30,000 people who are here because Australia, by your own admission, has been taken off the table. So TPVs are clearly redundant. The minister has conceded that in his answer right now.

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (21:01): When the shadow minister spends a bit of time in this portfolio he will probably understand some of the matters that are before him. But in relation to his claims: I have addressed the questions that he has raised this evening. But let me just deal with this last one on temporary protection visas.

Temporary protection visas deny the people smugglers' promise to those who arrived illegally prior to 19 July. And if the shadow minister does not understand that 30,000 people, who are the primary source of information about whether someone should seek to travel to Australia, are relevant in the flow of information and messaging back up the people-smuggling chain, then he has no idea about how this works. He really does not understand what the pool of information is that those who are sitting offshore in many other places around the world will draw on. He has no understanding about the role not only of those who have come but also of the diaspora in Australia of those who have come and the government's consistent approach to handling this issue, whether it is them, or people offshore or those who might seek to come who we would turn back. He simply has learnt nothing from Labor's failures while they were in government. And that is where they will remain. They will make proclamations that they are still for offshore processing until they decide they are not again, and the Australian people know where they stand because they just know what they are feeling and they know where they stand on this issue.

But there is a really important reason for why we have done what we did with Operation Sovereign Borders, which started on 18 September, almost nine months ago now. It was to restore integrity to our borders and to restore integrity to our immigration program. The questions asked by my colleagues, and the member for Brisbane in particular, go to the heart of the dividend that is paid as a result of the success of the policies of Operation Sovereign Borders. In this budget there is $2½ billion of savings. Now, that is in contrast to the $11.5
billion-plus in budget blow-outs that occurred under the previous government, and which would have continued to occur.

They were forecasting 15,600 arrivals at the time of the last election. They said they would fix the problem, but they were forecasting 15,600 arrivals—more than 600 boats! That is apparently a success when it comes to the Labor Party! Two-and-a-half billion dollars of savings; we are closing the detention centres that they opened. And they opened them because they had lost control of the borders. And those savings are going to save the budget some $283 million.

In addition to that, the humanitarian dividend is significant. Twenty thousand places in this financial year, in the budget year and over the forward estimates have been freed up under the refugee and humanitarian program, specifically in the special humanitarian program, which went from a program of almost 4,700 people when we left office to a program of just 500 under the previous government. Four thousand people a year were being denied a special humanitarian visa in this country who had gone through the proper process, had come through the right process and been denied because the previous government could not control the borders. Those 20,000 places have been created and quarantined in the program. They cannot be taken away.

One of the areas of the program which will also benefit is the one the member for Brisbane mentioned: the more than 1,000 places that have been provided to women at risk. Women in places of desperation around the world who are in need of these visas—the ones who are without a male partner in support and who often have children—are the most vulnerable and the most immobile. You do not see them on boats; they could never afford it or get out of the camp. What we have done with Operation Sovereign Borders has freed up the program to address their need. They have been the silent voices in this debate for the last six years, and their voices have been heard by this government because we have acted to protect our borders and to ensure that the opportunity of smugglers to peddle their evil trade and steal the places that were going to those women has been thwarted. It has been taken away.

Finally, the economic program of this budget as demonstrated in the migration program is enabling the program to deliver on the economic objectives of this country because the program now has integrity, and it has integrity thanks to Operation Sovereign Borders, which is opposed by those opposite.

Proposed expenditure agreed to.

Debate adjourned.

Federation Chamber adjourned at 21:07.
QUESTIONS IN WRITING

Sydney (Kingsford Smith) Airport: Residential Development under Flight Paths
(Question No. 162)

Mr Albanese asked the Minister for Infrastructure and Regional Development, in writing, on 26 May 2014:

Is he aware of any development applications for the vicinity of Kurnell Peninsula which will or may potentially impact on aircraft movements at Kingsford-Smith Airport.

Mr Truss: The answer to the honourable member's question is as follows:

I am advised that in February of this year the Department of Infrastructure and Regional Development made submissions to the NSW Department of Planning's Pre-Gateway Review of Amendments to State Environmental Planning Policy (Kurnell Peninsula) 1989, and the Sutherland Local Environment Plan Independent Review.

The proposed amendments related to an application for a 2,000 block residential development, to be located under southerly arrival and departure flight paths for Kingsford-Smith Airport.

The Department's advice was that the proposed development was likely to be subject to significant aircraft noise.